

CURRENT HISTORY

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West Europe

- NATO's Political-Military Challenges—*David S. Yost* 401
 The End of an Era in West Germany—*David P. Conradt* 405
 War and Politics in Britain—*Arthur Cyr* 409
 Danish Politics in the 1980's: The Habit of Muddling Through—*Eric S. Einhorn* 412
 Spain's Political Future—*Stanley G. Payne* 417
 France: The Return of the Revolutionary Tradition—*William Francis Ryan* 422
 Ideology and Pragmatism in Greek Foreign Policy—*Van Coufoudakis* 426

-
- Book Reviews—*On West Europe* 432
 The Month in Review—*Country by Country, Day by Day* 439
 Index—*January-December, 1982, Volume 81* 444
 Maps—*Greece and its Neighbors* 427
 —*West Europe*—Inside Back Cover

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Current History

DECEMBER, 1982

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The nations of West Europe face political challenge at the domestic level and continuing tension with the United States, which has led to renewed discussion of the NATO alliance's defensive structure and strategy. Our introductory article points out how an "appropriate" NATO response within the 'flexible response' framework has become more and more uncertain."

NATO's Political-Military Challenges

BY DAVID S. YOST

Assistant Professor of International Relations, U.S. Naval Postgraduate School, Monterey, California

THE political strength of the Atlantic Alliance lies in the coincidence of the interests of freely participating sovereign and (for the most part) democratic governments.* These governments have achieved a degree of joint military planning and co-operation unprecedented in a peacetime alliance of free countries. Exchanges of all types of information promote an educated awareness of the perceptions and problems of fellow allies. Smaller allies enter the mainstream of advanced military technology and, through such key institutions as the Nuclear Planning Group, can influence the political and strategic planning of their partners and the alliance. Thanks to NATO (North Atlantic Treaty Organization), North America and West Europe have achieved a degree of defense coordination that furnishes the basis for an increasing number of commonly funded programs, like the Airborne Warning and Control System (AWACS). All the allies except France are contributing to the infrastructure for NATO's projected new intermediate-range nuclear forces (INF), an unprecedented contribution to NATO's nuclear posture for countries like Canada, Denmark and Norway. More-

over, the alliance exhibits such vitality that in May, 1982, Spain became its first new member since the Federal Republic of Germany joined in 1955.

The NATO experience has shown, however, that the political strengths of a voluntary alliance of sovereign governments can entail functional weaknesses: NATO has no supranational authority; NATO's international staff assists in the coordination of alliance activities but has no directive or coercive powers. Most alliance decisions are made through consensus on the basis of lowest-common-denominator judgments acceptable to all the member governments and their publics. As a result, a great deal of time is consumed in the production of diluted and ambiguous policy positions.

Thus the "flexible response" strategy adopted by the North Atlantic Treaty Organization in 1967 postulated a deliberately vague but "appropriate" response to any Warsaw Pact aggression. This strategy remains in effect today. During the past 15 years, however, the Warsaw Pact has enhanced its long-established conventional force superiority, and has reinforced it with dramatic nuclear force improvements. In each broad category of NATO's triad—strategic nuclear, theater nuclear, and conventional forces—the Warsaw Pact today displays elements of superiority.

The Soviet Union began to surpass the United States in various static measures of the strategic nuclear balance in the late 1960's. Depending on assumptions as to weapons yield and accuracy (among other parameters), the Soviet Union today has well over twice the prompt hard-target kill capability of the United States, partly because of Soviet superiority of approximately three to one in numbers of warheads on ICBM launchers.¹ The principal remaining United States ad-

*The views expressed in this article are those of the author alone, and should not be construed to represent those of the Department of the Navy or any United States government agency.

¹Hard-target kill capability is "prompt" when delivered by missiles that take from 10 to 40 minutes to reach their targets, as opposed to bombers requiring 6 to 10 hours to do so. This estimate of relative Soviet superiority in prompt hard-target kill capability is given in Joint Chiefs of Staff, *U.S. Military Posture for FY 1983* (Washington, D.C.: Government Printing Office, 1982), p. 23. Given the high yields of Soviet systems, assumptions of improved accuracy can translate into dramatically increased hard-target kill potential.

vantage in static indicators, numbers of warheads on submarine-launched ballistic missiles, is diminishing as the Soviet Union builds additional multiple warhead SLBM's; moreover, this United States advantage consists of multiple warheads of relatively low yield and limited accuracy.[†]

United States deficiencies, including counterforce inferiority, and superior Soviet ability to limit damage to the U.S.S.R. (including counterforce, ballistic missile defense, civil defense, and air defenses) may pass escalation dominance to the Soviet Union in plausible crisis or war scenarios involving the threat or use of strategic nuclear forces. The political and operational credibility of the United States threat to retaliate has thus declined. While alert status and scenario assumptions differ, the United States Joint Chiefs of Staff judge that "the overall effectiveness of our retaliatory capability has become increasingly uncertain."²

Theater nuclear forces may be subdivided into short range (up to 150 km) and intermediate range. NATO's modest numerical superiority in short-range delivery systems (mainly 8 inch and 155 mm artillery, plus Lance and Honest John missiles) consists largely of obsolescent systems with warheads of excessively high yield in a relatively small number of storage sites vulnerable to Soviet attack. SS-21 missiles (replacing FROG launchers) and 203 mm and 240 mm artillery pieces adapted to fire nuclear projectiles may give the Soviet Union clear numerical superiority in short-range delivery systems within a few years, and at least parity in numbers of warheads. Because Soviet short-range systems consist primarily of FROG/SS-21 mis-

siles, the Soviets today have operational advantages. The "greater range, and consequently the improved target coverage and survivability, of [these Soviet] land-based missiles more than compensates for NATO's numerical advantage" in short-range delivery systems.³

The Soviet strategy calling for surprise theaterwide nuclear attacks threatens NATO's nuclear storage sites, airfields, ports, prepositioned equipment and command centers. Soviet intermediate-range nuclear forces (INF) for executing this doctrine include well over 1,000 ballistic missiles (SCUD/SS-23's, SCALEBOARD/SS-22's, SS-4's, SS-5's, SS-20's), several hundred greatly improved fighter bombers (Fencer, Flogger, Fitter), and medium bombers (Badger, Blinder, Backfire).⁴ NATO has about one-third as many nuclear-capable aircraft in Europe (F-4, F-104, F-111, Tornado, A-6, A-7, Jaguar), and only a small fraction are capable of operational missions against the Soviet Union. Land-based ballistic missiles constitute the spearpoint of Soviet INF superiority, because NATO has no defense against them, far fewer comparable systems (18 French IRBM's independent of NATO, in addition to 180 Pershing IA's), and no plans to acquire an INF force of comparable numbers and effectiveness.

The Warsaw Pact's conventional force superiorities in Europe on the order of two to one (armored personnel carriers and surface-to-air missiles), three to one (main battle tanks and artillery/mortars), and even five to one (fighter-interceptor aircraft) have not been attenuated by NATO's defense spending goal of a three percent real annual increase or the Long Term Defense Program adopted in 1978.⁵ One of NATO's few conventional force advantages, its number of assault helicopters, will probably disappear in the mid-1980's as the Soviets deploy more Mi-8/HIP and Mi-24/HIND helicopters for close air support. Overall, "the gap between the conventional force capabilities of NATO and those of the Warsaw Pact gets wider each year," and NATO's "conventional capabilities today are clearly inadequate."⁶

Moreover, the quality of Soviet equipment, including armored vehicles, increasingly surpasses that of NATO equipment. NATO can therefore no longer assume that quality will counterbalance quantity. Even if the Soviet Union did not initiate use of nuclear weapons, NATO's conventional inadequacy would probably force it to threaten escalation to nuclear weapons relatively early in a conflict. Yet its own nuclear inferiorities and vulnerabilities might discourage NATO from nuclear retaliation.

An "appropriate" NATO response within the "flexible response" framework has become more and more uncertain. The deterioration of NATO capabilities relative to those of the Warsaw Pact derives in part from sustained Soviet efforts to devise offensive and defensive forces capable of destroying or neutralizing

[†]Editor's note: For further discussion and different interpretations of Warsaw Pact and Soviet strength, see Carl G. Jacobsen, "Soviet-American Policy: New Strategic Uncertainties," *Current History*, October, 1982, and John Erickson, "Stability in the Warsaw Pact?" *Current History*, November, 1982.

²*Ibid.*, p. 19.

³North Atlantic Treaty Organization, *NATO and the Warsaw Pact: Force Comparisons* (Brussels: NATO Information Service, 1982), p. 46.

⁴While the U.S.S.R. describes the Backfire as a medium range bomber, the United States Joint Chiefs of Staff have repeatedly pointed out that Backfires have "sufficient range to attack the US by employing either aerial refueling or post-strike recovery in the Western Hemisphere." *U.S. Military Posture for FY 1983*, p. 21.

⁵These specific conventional force asymmetries are described in North Atlantic Treaty Organization, *NATO and the Warsaw Pact: Force Comparisons* (Brussels: NATO Information Service, 1982), pp. 9-21. This discussion of military balances is also based on the following sources: official documents such as the annual *Military Posture* statements of the Joint Chiefs of Staff and the annual reports of the Secretary of Defense to the Congress, and unofficial analyses such as the annual *Military Balance* of the International Institute for Strategic Studies, London.

⁶General Bernard W. Rogers, Supreme Allied Commander Europe, "The Atlantic Alliance: Prescriptions for a Difficult Decade," *Foreign Affairs*, vol. 60 (summer, 1982), pp. 1151-1152.

NATO nuclear forces. In theory, this Soviet "counterdeterrence" capability could free Warsaw Pact conventional forces for greater political and military effectiveness, with reduced risk of any NATO nuclear weapons use. While Soviet military literature has suggested at times that United States use of strategic nuclear forces might be deterred in a NATO-Warsaw Pact conflict, it has more consistently portrayed conventional, chemical, theater nuclear and strategic nuclear forces as parts of a single continuum. Warsaw Pact forces are prepared for conducting a combined conventional-chemical-nuclear offensive, supported by extensive surprise nuclear strikes. In contrast, NATO has continued to rely on threatening to prevent theater defeat by escalating the conflict, not excluding strikes against the Soviet Union with the central strategic nuclear systems of the United States—a step with incalculable consequences.

POLITICAL STRENGTHS AS FUNCTIONAL WEAKNESSES

This unsatisfactory situation derives in part from NATO's political weaknesses, which—ironically—also reflect NATO's political strengths. NATO seems, for example, collectively incapable of making a realistic threat assessment, and then acting on it. (A case in point is the absence of concrete plans to counter the SS-20, SS-21, SS-22, SS-23, and other Soviet ballistic missile threats.) It tends to select reassuring assumptions, e.g., that warning time before any conflict would be adequate; that the initial phases of conflict would be conducted with conventional forces alone (despite the prominence of chemical and nuclear weapons use in Warsaw Pact doctrine and exercises); that NATO's ports, airfields and prepositioned equipment would survive to welcome reinforcements from the United States, Canada and Britain, and that Soviet capabilities are less significant than current non-belligerent Soviet intentions.⁷

Such reassuring threat assessments reinforce NATO's official "flexible response" strategy. Prevailing interpretations of this strategy (especially in West Europe) assume that the Soviet Union could be amenable

to NATO's "crisis management" tactics and might desist in aggression and withdraw if NATO—preceding the Soviet Union in the initial use of nuclear weapons—launched selective nuclear strikes as political signals of resolve. Politically imposed ambiguities as to the possible results of "flexible response" serve to smooth over the risk-sharing conflict of interests—i.e., who will suffer if NATO fails to deter. West Europeans contend that deterrence is most credible if the threat of escalation in nuclear war extends beyond Europe to the United States and the U.S.S.R.

"Flexible response" is not in fact intended to guide NATO in winning a hypothetical NATO-Warsaw Pact war, but rather to deter aggression and, if necessary, to prevent the expansion of any armed conflict and to manage the crisis—restoring the integrity and security of the NATO area as rapidly as possible and with as little violence as possible. This objective is so poorly understood by Western publics that United States President Ronald Reagan stirred great controversy in October, 1981, by implying that an initial NATO use of nuclear weapons might not lead to a Soviet-American intercontinental war. Instead of applauding the President's consistency with long-standing NATO assumptions, some European critics accused him of withdrawing the United States strategic nuclear guarantee and thus recklessly planning a limited nuclear war at West Europe's expense.

The same political weaknesses—i.e., insufficient vision and unanimity—that have prevented NATO from articulating "flexible response" with greater clarity have also dissuaded NATO from facing the questions posed by more realistic assumptions. Owing to NATO's defensive character, the Soviet Union would have the initiative in any NATO-Warsaw Pact conflict. The Soviet attack options thus guaranteed should logically be blunted by better air defenses, including cruise and ballistic missile defenses, on NATO's side. Particularly in West Europe, however, proposals to improve NATO's ability to thwart such obvious Soviet military options are often perceived as likely to destabilize East-West political relations by promoting an arms race in war-fighting capabilities.⁸ Similarly, Egon Bahr, a West German Social Democratic leader, and other West European critics of enhanced radiation warheads (the "neutron bomb") have opposed these weapons, claiming that they are so militarily useful that they might be used promptly in conflict, and are likely to undermine progress in relaxing East-West political tensions through détente.⁹

PUBLIC AMBIVALENCE AND INFORMATION POLICY

Such views reflect widespread West European ambivalence about the adequacy of NATO's deterrent posture. While some West European observers are concerned about the serious imbalances in each broad category of NATO's triad, others assume that any risk

⁷Soviet and general Warsaw Pact political-military uncertainties and vulnerabilities that may help to obviate the danger of aggression should be neither minimized nor exaggerated. For useful discussions, see Peter Vigor, "Lessons for NATO from the Soviet Invasion of Afghanistan," in David S. Yost, ed., *NATO's Strategic Options: Arms Control and Defense* (New York: Pergamon Press, 1981); Dale R. Herspring and Ivan Volgyes, "Political Reliability in the Eastern European Warsaw Pact Armies," *Armed Forces and Society*, vol. 6 (winter, 1980); and Benjamin Lambeth, *Risk and Uncertainty in Soviet Deliberations about War* (Santa Monica: Rand, R-2687-AF, October, 1981).

⁸See David S. Yost, "Ballistic Missile Defense and the Atlantic Alliance," *International Security*, vol. 7 (fall, 1982).

⁹For further details see David S. Yost and Thomas C. Glad, "West German Party Politics and Theater Nuclear Modernization Since 1977," *Armed Forces and Society*, vol. 8 (summer, 1982).

of intercontinental nuclear war (guaranteed by the presence of United States troops in West Europe) will adequately deter Soviet aggression for the indefinite future. The latter view is often linked to a reluctance to recognize that deterrence is a dynamic endeavor that requires continuous monitoring and new stabilization efforts. Because NATO's deterrence system seems remote and incomprehensible to large sectors of the public, many critically important military improvement proposals are opposed as somehow likely to promote war rather than deterrence and to undermine East-West détente.

Popular distrust and feelings of estrangement regarding NATO's defense and deterrence structure therefore constitute another political weakness. Inadequate public understanding of NATO's deterrent aims and the Warsaw Pact threat stems in part from the deficiencies of NATO's public information policy.

For lack of a more effective public information policy, NATO is on the defensive. It rightly regards itself as the true "peace movement," the Western organization most likely to deter war and preserve peace. Yet opponents of key NATO decisions have captured the high ground in popular argument by calling themselves the "peace movement." The development of the "peace movement" has, ironically, been promoted by what is perceived in West Europe as the confrontational rhetoric of the Reagan administration. As a result, most people in NATO countries do not know that 1,000 United States nuclear warheads were withdrawn from Western Europe in 1980 and that—in principle, at least—all NATO governments would prefer to reduce the alliance's reliance on nuclear weapons.

A sign of possible progress in public relations came in May, 1982, when NATO released a NATO-Warsaw Pact force comparisons analysis. This document, which reportedly took the allies ten months to negotiate, represents a considerable accomplishment for NATO; it is the first time the allies have agreed on a relatively precise public threat assessment. On the other hand, the document's content reflects NATO's customary compromises and West Europe's disagreements with the United States. For example, while United States publications attribute at least one-reload missile to each Soviet SS-20 launcher, the NATO document alludes vaguely to the system's refire capability, with no estimate as to the possible number of reloads.¹⁰

NATO's conventional force deficiencies derive

mainly from the collective political weaknesses of its member governments. (In contrast, aside from the alliance politics of deploying new systems, nuclear weapons deficiencies are almost exclusively a United States responsibility. The United Kingdom's contribution constitutes no more than two percent of United States nuclear strength, and French nuclear weapons are entirely independent of NATO.) Low manpower costs in the Warsaw Pact help explain the situation; more important, because they are not always willing to cooperate, NATO countries together spend more on defense than the Warsaw Pact states, but produce far less military equipment, infrastructure and combat power. The key difference is *military investment*—that is, programs for procurement of weapons, military and naval construction, and research and development—as opposed to operating, maintenance and personnel costs. Warsaw Pact military investment has exceeded the investments of NATO and Japan combined since 1973, and is currently about 15 to 20 percent greater.¹¹

Although France has popularized a distinction between the North Atlantic Treaty of 1949 (of which France remains a loyal signatory) and the "integrated" military establishment of NATO (from which France withdrew in 1966), the degree of "integration" achieved in NATO should not be exaggerated. With the exceptions of Iceland (which has no military forces) and tiny Luxembourg, each of the allies maintains a full national defense establishment with a distinctly national doctrine, logistic support plans, equipment, research and development (in most cases) and overhead. Waste, inefficiency and a lack of standardized (or even interoperable) equipment lead to variations in national defense efforts and capabilities. Spain, Turkey and Portugal are especially deficient in modern equipment in relation to manpower. When these Western inefficiencies are taken into account, the Warsaw Pact's effective output advantage in military investment is close to 35 to 40 percent.¹²

Inadequate political leadership and commitment explain why several allies have been unable to meet the relatively modest defense effort goals they set for themselves. The 1978 target of a three percent real annual increase in defense spending was established on grounds of political feasibility rather than military sufficiency. Because of low economic growth and the fact that military equipment inflation exceeds overall inflation rates, it has become even harder to sustain

(Continued on page 435)

¹⁰United States Department of Defense, *Soviet Military Power* (Washington, D.C.: Government Printing Office, 1981), pp. 26-27; North Atlantic Treaty Organization, *NATO and the Warsaw Pact: Force Comparisons*, pp. 35, 49.

¹¹Secretary of Defense Caspar W. Weinberger, *Annual Report for Fiscal Year 1983* (Washington, D.C.: U.S. Government Printing Office, 1982), p. II-7.

¹²*Ibid.*

David S. Yost is the author of *European Security and the SALT Process* (Beverly Hills and London: Sage Publications, 1981) and editor of *NATO's Strategic Options: Arms Control and Defense* (New York: Pergamon Press, 1981), in addition to articles on international security affairs.

Noting that "for most of its 33-year history, West Germany has been a model of social, economic and political stability," this author concludes that "recent political developments illustrate the capacity of the West German system to accommodate conflict and change within this democratic framework."

The End of an Era in West Germany

BY DAVID P. CONRADT

Professor of Political Science, University of Florida

ON October 1, 1982, the Social Democratic party (SPD) which had governed the Federal Republic of Germany for almost 16 years (and had provided its executive leadership since 1969) was forced into opposition. Two weeks earlier Chancellor Helmut Schmidt had lost his parliamentary majority when the Free Democratic party (FDP), the junior partner in the coalition with the SPD, left the government. The SPD-FDP government was replaced by a new coalition comprised of the Christian Democratic Union (CDU), its Bavarian sister party, the Christian Social Union (CSU), and the FDP. The new Chancellor is Christian Democrat Helmut Kohl. Thus less than two years after the SPD-FDP coalition decisively defeated the CDU/CSU at the 1980 national election, with a seemingly comfortable parliamentary majority of 45 seats, the center-right Christian Democrats returned to political power.

The Christian Democrats have had a large advantage over the Socialists in national opinion polls conducted throughout 1982; nonetheless, the change of government took place without the direct involvement of the voters. The new Kohl government will probably present itself to the electorate in March, 1983, although new elections need not be held until 1984.

The government's collapse was due to a variety of factors, including the worsening economic situation, the sharp decline in popular support for the Free Democrats in recent state elections (which threatened the survival of the party), the challenge of the new "Green" or Environmentalist political movement, and divisions within the SPD over economic policies, the NATO (North Atlantic Treaty Organization) missile plan, and the party's relationship to the environmentalists.

The government's problems with the economy began soon after the 1980 election. Unemployment, which had slowly decreased throughout most of 1980, began to rise in early 1981. Slackening domestic demand and declines in export orders continued, reflecting recessionary conditions in other West European countries and the United States. The gross domestic product (GDP) actually declined in 1981 for the first

time in the history of the Federal Republic. By early 1982, employment had risen to almost 8 percent, the highest level in over 30 years. Business failures increased sharply; in 1982 over 12,000 companies failed, a postwar record. Among the most prominent failures were the giant AEG electronics firm, the Bauknecht appliance company and the Rollei camera corporation.

To point out (as Chancellor Schmidt frequently did) that these were problems common to all industrialized societies in the 1980's did little to diminish their impact on the people's daily lives. Moreover, the West German rate of increase in unemployment and business failures is one of Europe's highest. Economic trends, at least in the short-run, are not encouraging.

A weak economy has meant reduced state revenues. Thus SPD-FDP coalition was faced with a choice: cut back on government programs, especially in the social welfare area, or finance the revenue shortfalls by borrowing. Throughout most of the 1970's, the government took the latter course; between 1973 and 1980 public indebtedness as a proportion of GDP increased from 18.2 to 31.3 percent. In 1981, however, the Free Democrats announced that a fundamental change (*Wende*) had to be made in social welfare spending. In 1981 and 1982, there were very difficult negotiations between the coalition partners over the 1982 and 1983 budgets.

In retrospect, the first FDP call for a *Wende* was the beginning of the end for the Schmidt government. The SPD agreed to reductions in a variety of programs, like pension increases, family allowances, university student aid, unemployment compensation, health care, and the sick-leave payment system. The SPD insisted, however, that these cuts be balanced by higher taxes and fewer loopholes for upper income groups. Some agreement was reached. But the worsening economic situation in 1981 and 1982 produced higher deficits than were originally projected, requiring supplementary borrowing packages or budget cuts that resulted in further conflicts between the coalition partners.

The generally unfavorable economic conditions also took their toll on public tolerance of Germany's 4.65

million foreign residents. Between 1978 and 1982, the percentage of the population that agreed with the statement "foreign residents should go home" increased from 39 percent to 68 percent. The SPD-FDP government responded with measures designed to reduce the number of foreign dependents entering the Federal Republic and to hasten the departure of those already in Germany without jobs or educational qualifications. This problem also had a negative effect on the standing of the SPD-FDP government.

For the Free Democrats, the question was political survival. Unlike the large parties, the FDP cannot afford losses, because a failure to receive at least five percent of the vote denies the party parliamentary representation. To justify its existence, the FDP must avoid becoming too closely identified with its larger coalition partner. It thus seeks to project itself as a corrective to its larger partner; in the case of the SPD, this means moving the party away from "radical socialist" policies. After losses in state elections held in Lower Saxony (March, 1982) and Hamburg (June, 1982), however, party leaders became convinced that the FDP would not be able to form a coalition with the SPD after the next election. From the FDP's perspective, the SPD had become a sinking ship and its coalition with the Socialists had turned into a political liability.

The core electorate of the FDP comprises no more than three percent of the voting public; it must "pick up" its remaining vote from independents and traditional SPD or CDU/CSU voters at least temporarily unhappy with their parties. In this connection, the rise of the Greens or environmentalists was especially ominous for the FDP, since they also make a strong appeal to major party voters and independents. An SPD supporter desiring to send his party a message might well vote for the Greens instead of the FDP, which has been very much a part of the political establishment. The Greens clearly challenge the FDP's credibility as an alternative or corrective to the status quo.

Thus in the two 1982 state elections before the collapse of the coalition, the Free Democrats were pushed into fourth place by the Greens when many disgruntled SPD and FDP voters switched to the environmentalists. If this trend continues, the Free Democrats may well disintegrate after the next national election. By mid-1982, leaving the coalition and becoming "free" to compete with the Greens for support of the discontented had become an attractive alternative to many FDP leaders and activists. In June, 1982, the FDP organization in Hesse foreshadowed events in Bonn by abandoning its 12-year-old alignment with the Social Democrats and opting for the CDU as its new coalition partner.

In early September, 1982, it was apparent that the

budget figures projected in July overestimated government revenues and that further spending cuts or increased deficits would be necessary. Further signs that the coalition was about to collapse came on September 9 during the Chancellor's state of the nation speech and the subsequent parliamentary debate. Schmidt challenged opposition leader Helmut Kohl to bring his government down and replace it with a new one as called for in the constitution (the "constructive vote of no-confidence"). The FDP, however, did not join in this challenge to the Christian Democrats. Vice Chancellor and Foreign Minister Genscher emphasized the fact that the governing parties must resolve their differences over the budget; otherwise, the coalition could not survive.

Shortly before this parliamentary debate, FDP Economics Minister Count Lambsdorff presented Chancellor Schmidt with a report that later served as the overt cause for the government's collapse. Lambsdorff recommended drastic cuts in key social programs, long considered untouchable by the Social Democrats, like pensions, workmen's compensation, unemployment payments, health care, rent subsidies to the poor, paid maternity leaves and grants to schools and university students. Lambsdorff also proposed an increase in health insurance fees and sales taxes. Tax concessions for industry and a cut in income taxes were to be financed by these reductions in social programs. This German version of supply side economics would, Lambsdorff claimed, stimulate investment and secure long-term economic growth. Schmidt and other SPD leaders publicly censured Lambsdorff for a "flagrant contradiction of government policy."¹ Willy Brandt, chairman of the SPD and a former Chancellor, suggested that Lambsdorff resign and accused him of attempting to "cripple" the coalition.

The formal collapse of the SPD-FDP coalition took place on September 17, when the four FDP members of the Schmidt Cabinet resigned. Public opinion polls taken shortly after the September 17 withdrawal of the Free Democrats found that the party's level of national support had dropped to a miniscule 2.3 percent, compared to 5.3 percent in July, 1982, and 10.6 percent in the 1980 national election. The general accuracy of these polls was confirmed by the September 26 vote in Hesse. It is therefore not surprising that the FDP has little interest in new elections in the near future. The party is on the verge of disintegration, and it needs time to attract supporters, largely from the ranks of former CDU/CSU voters and independents, who approve its change of course.

THE "GREENS" AND "ALTERNATIVES"

In the late 1970's, various environmentalist groups opposed to the government's plan for the expansion of nuclear energy plants banded together as a Federal League of Citizen Groups for the Protection of the

¹*Frankfurt Allgemeine Zeitung*, September 15, 1982, p. 1.

Environment, the "Greens" or "environmentalists." The Greens were a new face on the political scene. Their anti-establishment, grass-roots, idealistic image had an especially strong appeal among younger Germans. In October, 1979, a Green party gained entrance into the parliament of the city-state of Bremen, and in March, 1980, the Greens surmounted the five percent hurdle in the relatively large state of Baden-Wuerttemberg. After a poor showing in the 1980 national elections, the Greens (with the help of other protest groups, especially the "alternative movement") rebounded and entered the legislatures in Berlin (1981), Lower Saxony (1982), and Hamburg (1982).

The "alternative" groups, centered mainly in the larger cities, trace their origins to struggles over inner-city housing (squatters), the arms race, and education. Many of them are former SPD members, veterans of the student protest movement of the 1960's and participants in various left-wing splinter groups. Generally, they are more experienced in organizing campaigns than their Green colleagues. In some areas the Greens have joined the Alternatives and are now termed GAL (Green Alternative Candidate List). The Green Alternatives scored a triumph in the September 26 Hesse election, when the party won 8 percent of the vote. The movement now contains protest elements including Greens and various shades of red (from "salon pink to Maoist red," as one analysis put it).² However, their slogan, "We are not left, we are not right—we are ahead!" does little to resolve the ideological differences within the party.

Their successes in state elections, their opposition to placing American medium-range missiles in West Germany, the continued stagnation of the economy, and increasing popular dissatisfaction with the major parties gave the Greens great visibility, and they may enter the national Parliament at the next election. If they are successful, they would be the first party to break the monopoly on parliamentary representation that the SPD, CDU/CSU and FDP have enjoyed since 1961. The Greens, however, owe much of their success to their rejection of the political game as played by the established parties. They are therefore very reluctant to cooperate in any coalition.

THE SOCIAL DEMOCRATS

After the 1980 election, intra-party conflicts flared again in the SPD. The peace movement, which emerged out of the NATO missile plan, sharply divided the party; many SPD activists supported the peace groups to the consternation of the SPD establishment. On several occasions, Schmidt threatened to resign unless the "peace faction" within the party stopped undermining NATO. The cuts in social pro-

grams in the 1982 and 1983 budgets also provoked strong opposition within the party. And the SPD's strategy towards the Green and Alternative movements was another divisive issue. The national chairman, former Chancellor Willy Brandt, has generally taken a conciliatory approach toward these groups, contending that it is the historic responsibility of the SPD to integrate them into the political mainstream. Other SPD leaders, however, view any strong appeal to the political fringe as potentially disastrous for the party, because it would drive away more moderate voters. Intra-party debates about these issues continued unabated throughout 1981 and 1982.

These divisions reflected the tensions produced by the demands of government responsibility on the one hand and the demands of the party's extra-government organization for bold, new policy directions on the other. In government, the SPD had to deal with the daily problems of a complex pluralistic society, a task made even more difficult by the presence of a coalition partner. Compromise, "crisis management" and incremental change were the key operative principles. The SPD, however, regards itself as the true guardian of the party's historic commitment to basic socioeconomic and political reform.

With the Social Democrats in opposition, free of the burdens of government responsibility, an appeal could be made to the goals of the environmentalist movement. The party could seek to provide a political home for a considerable segment of the Green electorate, channeling this protest in more conventional directions.

Future historians will probably cite *Ostpolitik*, the policy of normalizing relations with East Europe and the Soviet Union, as the single greatest accomplishment of the Socialist-Liberal era. Treaties with the Soviet Union (1970) and Poland (1970, 1976), which essentially recognized the legitimacy of postwar European boundaries and thus the division of Germany, paved the way for a four-power agreement on Berlin in 1971. Subsequent treaties and agreements with the German Democratic Republic (GDR) (1972) and Czechoslovakia (1973) completed the Federal Republic's integration into the postwar European state structure.

West Germany could no longer be considered a revisionist power. The agreements with the GDR enabled millions of West Germans and many East Germans to visit their families and relatives in the other German state. *Ostpolitik* also produced a rapid expansion of trade with East Europe and the Soviet Union. The new foreign policy generally received the approval and respect of Germany's neighbors. It put the Federal Republic at the forefront of the worldwide trend toward détente and helped to change the German image throughout the world. Though once strongly opposed by the CDU/CSU, the *Ostpolitik* treaties are now part of the West German consensus.

²Horst Bieber, Michael Schwelien, Gerhard Spoerl, "Deutschland soll ergruenen," *Die Zeit*, September 17, 1982, p. 6.

Internally, the Socialist-Liberal years were generally characterized by unprecedented levels of material prosperity, social and economic equality of opportunity, and personal freedom. *Chancengleichheit* (equality of opportunity) became a goal of many programs in education, including the comprehensive school, tuition-free universities, and major reforms in vocational education. Both the criminal and legal codes underwent extensive revisions; legal hindrances to increased opportunities for women were removed. The social welfare system, which the Christian Democrats under Chancellor Konrad Adenauer had begun to revise and enlarge, became one of the world's most generous and comprehensive. Pensions, health care, sick leave, child allowances, veterans benefits, unemployment compensation and housing programs, many of which were strongly supported by the CDU/CSU, made the Federal Republic a model for advanced industrialized societies. The widely studied system of industrial co-determination, also initiated in the Adenauer era, under which workers' representatives become voting members of a firm's supervisory board, was extended in 1976.

The Socialist-Liberal alliance also scored some failures, like its inability to reform the tax system and to pass legislation to facilitate the equalization of capital resources (*Vermögensbildung*). The 1972 decree banning "radicals" from public employment and its subsequent implementation were, in retrospect, major mistakes that had an inhibiting effect on political expression among young people, especially at the universities. But the most notable shortcoming of the coalition was probably its lack of attention to the growing importance of "post-materialist" or quality of life issues like nuclear power and the environment. These problems were especially important to the younger, better educated voters. The emergence of thousands of citizen initiative groups with millions of members concerned with the environment, housing, education, child-care and urban planning testifies to the inability of the government to appreciate and meet these demands.

THE CHRISTIAN DEMOCRATS

The new Chancellor, Helmut Kohl, has been a figure on the West German political scene since 1969, when he became chief executive of the state of the Rhineland-Palatinate (Rheinland-Pfalz). His success at the state level coincided with the decline of his party, the CDU, in national politics. After CDU/CSU defeats in 1969 and 1972, Kohl moved from his provincial power base; and in 1973 he assumed the leadership of a badly divided and weakened CDU. He is credited with initiating a thorough modernization and revitalization of the party's organization. In 1976, as the "chancellor candidate" of the CDU/CSU, he conducted a well-planned campaign that almost toppled the SPD-

FDP government led by Helmut Schmidt.

After the 1976 "near miss," however, Kohl and the CDU had to contend with the national aspirations of Franz Josef Strauss, the leader of the CSU, the Bavarian affiliate of the CDU. With the not inconsiderable help of some segments of the CDU, Strauss launched a series of attacks on Kohl's leadership; at one point he withdrew his Bavarian CSU from its long-time alliance with the CDU. By early 1979, Kohl had to abandon plans for a second try at the chancellorship in 1980. After several months of intra-party conflict, a majority of CDU deputies decided to let Strauss have his long-sought chance, and in July, 1979, he became the Union's candidate against Helmut Schmidt. Kohl, however, remained the CDU's national chairman and leader of its parliamentary delegation.

As expected, Strauss and the CDU/CSU were soundly defeated in the October, 1980, election. But Kohl had been a loyal soldier in supporting the Strauss candidacy, and emerged from the 1980 defeat relatively unscathed. The combined CDU/CSU delegation was still the largest in Bonn, and Kohl's leadership was accepted at least until the next election. He had become an experienced parliamentarian at the national level; even his critics conceded that he was a worthy opponent for Schmidt and his SPD-FDP government. This gain in his perceived competence was helped immeasurably by the myriad difficulties which plagued the government during 1981-1982.

Like Helmut Schmidt, Kohl is a political pragmatist, but unlike Schmidt, he does not have a reputation as a "crisis manager" or bold decision-maker. Nor is he an intellectual. Although he comes from a Catholic labor tradition that generally supports an extensive social-welfare state, he has recently called for cutbacks in social programs. For Kohl, the market economy is an article of faith, as is anti-communism and firm support for the Atlantic Alliance. A Kohl-led government will probably take a harder line toward East Germany and the Soviet Union.

STRAUSS: A KEY FIGURE

The leader of the Bavarian CSU, Franz Josef Strauss, will be a key figure in the new government. Strauss is one of the Federal Republic's most durable and controversial political figures; he has been the dominant political figure in Bavaria for over 25 years. This solid Bavarian power base assures him of continued influence in Bonn and at least a kingmaker role

(Continued on page 438)

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"Prime Minister Thatcher now has the freedom and flexibility to schedule the next general election with a good chance of victory. . . . [However,] much will depend upon the government's management of economic matters, which will become increasingly important as memories of the Falklands fighting wane."

War and Politics in Britain

BY ARTHUR CYR

Vice President, Chicago Council on Foreign Relations

THE Conservative government's third year in power has been the most challenging of all; the continuing national problems of high unemployment and high inflation have been compounded by a national military crisis—the war with Argentina over the Falkland Islands. At the same time, 1982 was a good year for Prime Minister Margaret Thatcher in purely political terms, thanks mainly to the outcome of and reaction to that war. Finally, and perhaps most significant of all over the longer term, the new political party coalition of Social Democrats and Liberals emerged as a major force in British politics, significant even in the face of the resurgence of Tory popularity.

Since World War II, Britain has been increasingly preoccupied with the seemingly intractable problems of its domestic economy. Part of the problem has been greatly increased international economic competition; other countries recovered from the devastating effects of World War II more successfully. This point applies in particular but not exclusively to Germany and Japan. At the same time, there is a much longer-term trend, which was visible as early as the closing years of the nineteenth century: the British economy has failed to maintain rates of growth or competitive performance comparable to other major industrial powers. Britain, once the pivotal, most influential economic power in the world, is now a backwater, notable still for some innovative research and for a few quality products but clearly overshadowed in global production and marketing terms by the intense, ruthless competition between the Americans and the Japanese.¹

Economic decline and frustration in Britain, clearly related to low productivity and industrial strife, contributed very directly to a cumulative feeling of hostility to trade union demands, and this was a major factor in the Tory victory in the 1979 general election.

Thanks to the "social compact" of conciliation between management and labor promulgated by Labour Prime Minister James Callaghan, inflation had been gradually declining; unemployment was kept relatively low; and industrial relations were comparatively calm. Nevertheless, the Tories launched a strident attack, emphasizing the underlying problems of low growth and low productivity and promising drastic remedies to restore health and, over the longer term, national prestige and power. In the 1979 political climate, the appeal was very successful, and the Conservatives won a solid parliamentary majority of 43 seats.

There were some parallels with the political situation in the United States in the 1980 presidential election. In both countries, there was a dramatic move to the political right. This led to a new leadership that promised to reverse the course of public policy, to promote the private sector, and to restrict the public sector. Emphasis in both countries was placed on maintaining or increasing the national defense effort but cutting back on spending in such areas as welfare and social services. In both countries, also, an argument could be developed that the electoral outcome was a negative vote against the incumbents rather than an explicit endorsement of the victorious candidate. Arguably, President Jimmy Carter in the United States and the Labour leadership in Britain were the decisive influences on the electorate.

A DIFFICULT FIRST YEAR

In Britain, Thatcher had a very rocky first year. She was accused of ineffectiveness, which indicated in part the difficulty of imposing any quick or dramatic changes on the course of government policy. There were also specific errors associated with the Tory approach. In Britain, as in the United States, there were frustrations in establishing money supply targets, highlighted by the fact that the Thatcher administration stressed the importance of monetary policy and discipline. The Prime Minister made major concessions on compensation issues to public sector unions when private sector employers were being pressed to stand firm against union demands; and some tax initiatives were

¹A. W. DePorte, *Europe Between the Superpowers—The Enduring Balance* (New Haven and London: Yale University Press, 1979); chapters 2 and 3 contain an excellent discussion of economic change among the major industrial powers during the closing years of the last century and the first decades of this one.

termed regressive and hence unfair. The government also had to cope with very serious inflationary pressures.

During its second and third years in office, the Thatcher government had more success, but it remained vulnerable in the opinion polls. Harsh economic measures to restore productivity and competition took a heavy toll. In 1982, inflation gradually began to decline, and there was some improvement in industrial productivity, but at the cost of an exceptionally large number of business bankruptcies and other dislocations. British unit labor costs are now more comparable to those of other economies. Especially in the private sector, British unions have been compelled to make concessions that would have been virtually unthinkable earlier. The annual pay increase accords concluded in August, 1982, averaged just over 7 percent in manufacturing, compared to 9.3 percent in 1981 and 16.6 percent in 1980. Unemployment has reached levels not experienced since the Great Depression of the 1930's, with approximately three million people affected (and the British, unlike the Americans, tend to understate their unemployment).

Because of these stresses, the popularity of the government declined. Nevertheless, Thatcher was able to salvage her reputation for firmness and consistency in the face of pressure and appears less likely to suffer the fate of her Tory predecessor, Prime Minister Edward Heath, who combined in office an image of rigidity and abrasiveness with an inability to hold to a steady course in policy, especially concerning trade union relations.²

THE SOCIAL DEMOCRATS

The principal challenge to the Tory government has been provided by the new Liberal Social Democratic coalition rather than by the Labour party. The Social Democratic party, formed in March, 1981, represents a major new force in British politics, one especially significant given the comparative consistency and predictability of party roles in Britain. Tory and Labour parties have dominated the scene for most of this century, and a breakthrough to substantial public support in British politics is especially difficult for a new party. The new party was formed primarily, though not exclusively, by disaffected Labour supporters who were anxious to establish a force separate from their former political home, which they believed was far too heavily dominated by the ideological left wing. The Social Democrats have won a number of

striking victories in parliamentary by-elections, have captured control of the London local government, and have garnered approximately one-third of public support measured by the opinion polls.³

In their search for political support and credibility, the Social Democrats have benefited from three major developments. First, unlike other novel political movements in Britain and other Western democracies, the new party has highly experienced and sophisticated leadership. The leading personalities were the disaffected moderates: Roy Jenkins, Shirley Williams, David Owen and William Rodgers. Among them, they had held a range of major posts in earlier Labour governments, including the posts of Chancellor of the Exchequer, Foreign Secretary, Home Secretary, Secretary of State for Education and Science, and Secretary of State for Transport. They were also established senior figures in the Labour movement. Finally, despite their predictably strong ambitions, they were willing to compromise in the interest of party harmony. Roy Jenkins was elected leader over David Owen in what amounted to an intense but straightforward competition. Shirley Williams, who could have made a major effort to take the top post for herself, gracefully chose not to do so.

Policy orientations have reinforced practical political strengths, with the leadership of the new party hewing generally to the middle of the road. The Social Democrats argue that the Labour party has deserted them (rather than the other way around) in moving to the left. And they insist that they are in fact the true moderates. Consequently, the party has been well positioned to appeal to the activists and voters who believe that Labour is too extreme, but that Tory policies have brought neither social equity nor economic progress.

Second, the new party was aided by important by-election victories. Shirley Williams and Roy Jenkins enjoyed two by-election victories in Crosby and Glasgow Hillhead, respectively. The Glasgow constituency is heavily working class, which made the aristocratic Jenkins's victory all the more impressive. These breakthroughs indicated that significant numbers of voters were willing to provide direct electoral support. The resulting credibility, in turn, has given the efforts of leaders and activists a solid base. Again, the importance of the personalities at the top has been highlighted. These Social Democratic victories were possible in large part because significant, established political personalities were the candidates. Other election successes plus party defections brought the total Social Democratic contingent in the House of Commons to 30 by the fall of 1982. Added to the 12 Liberal M.P.'s, this represented a sizable minority force.

The Social Democratic cause was also aided by the Liberal party. In many ways, the new coalition's success and the emergence of the Social Democratic party were anticipated by the political fortunes of the Lib-

²Heath/Thatcher comparisons are discussed in Arthur Cyr, "Great Britain: Tories in Control," *Current History*, vol. 77, no. 451 (November, 1979), pp. 153 ff.

³On current volatility in the electorate and possible party realignment, see the excellent discussion in Samuel H. Beer, *Britain Against Itself: The Political Contradictions of Collectivism* (New York: W. W. Norton and Co. Inc., 1982), especially part three.

erals. The Liberal party consistently made political gains during the 1960's and 1970's. The party's previous peak of actual electoral support—more than 11 percent in the 1964 general election—was surpassed by levels of approximately 20 percent in the two general elections of 1974. While these showings did not result in marked improvement in the small number of Liberal M.P.'s in the House of Commons, they indicate that the electorate was willing to entertain new political perspectives and party options. Even before the emergence of the Social Democrats as a major force, there was evidence that the electorate was becoming more volatile and that the nearly total Tory and Labour hold on popular sentiments was being eroded. The Liberal willingness to form a coalition with the Social Democrats, which involved among other things asking Liberal candidates to step down in many constituencies in favor of candidates from the other party, reflected a new pragmatism. Many of these candidates had fought for their seats for a very long time, and Liberal activists were not conspicuous for compromise—that was one reason why they spent their energies in a small third party.⁴

The condition of the Labour party of course aided the new coalition. Michael Foot, the compromise successor to James Callaghan selected as party leader in November, 1980, lacks his predecessor's skills as a negotiator among the factions in the Labour movement. He is generally to the left of Callaghan, especially on matters dealing with nuclear weapons and defense. His main appeal to the middle and right of the party is that he is not Tony Benn, the increasingly extreme ideological leader of Labour's left wing. Under Benn's general guidance, the left has become stronger, not least because of defections to the Social Democrats, and it has imposed new rules and policy conditions on the party. Thus in 1979 the Labour party returned to support of unilateral disarmament. This had been controversial when it was adopted in 1960, although at that time the party had the moderate and highly regarded leadership of Hugh Gaitskell. No leader today has Gaitskell's broad appeal, his combination of fervor and practicality, and his reputation for integrity.

The left also imposed major structural changes on the Labour party. Three major initiatives were put forward at the end of the 1970's, and two were accepted. First, the party changed the manner of can-

didate selection, requiring that each candidate be approved annually by the local constituency association. This tends to strengthen the influence of the left, since its activists are highly motivated to attend annual sessions. Second, the national executive committee was given independent policymaking power with regard to the formulation of the general election manifesto, which again increased the influence of the left. Finally, the motion that was defeated would have opened leadership selection to more than just the parliamentary Labour party.⁵ In sum, these moves strengthened the Labour left, but they also strengthened the appeal of the Social Democrats to the wider electorate.

THE FALKLANDS WAR

The Falklands War changed this situation. The exercise was a grave political risk. The Prime Minister probably would not have survived long in office if Argentina's move had not been opposed forcefully and effectively, given the sentiment on the backbenches of her own party. But success was by no means guaranteed, and Thatcher can be credited not only with military victory but also with a willingness to take exceptional risks.

The blow from the Argentina junta against the Falkland Islands was initially successful because it was unexpected. The British and Argentine governments had been negotiating about the future of the islands for approximately a decade and a half. British insistence on self-determination for the small Falkland population caused the deadlock. Argentine threats had not been taken seriously because they had been heard so often; in 1977 there had actually been armed skirmishing. In some ways, the situation in the spring of 1982 in London was similar to that in Washington just before the Cuban missile crisis of 1962: there was information that military moves were coming, but signals were ambiguous and informed opinion held that Argentina would not resort to an extreme and dangerous course.

Indeed, Prime Minister Thatcher was apparently instrumental in insisting that Nicholas Ridley, a minister involved in attempting to resolve the dispute, be de-

(Continued on page 433)

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⁴For an extended discussion of Liberal party activists and related matters, see Arthur Cyr, *Liberal Party Politics in Britain* (London: John Calder Ltd., 1977), especially chapters 6 and 7.

⁵For an examination of the changes in Labour party procedure, handled from a conservative perspective, see the interesting article by Stephen Haseler (who has been challenging the leadership in his own Social Democratic party), "British Labour and the West," in Douglas Eden and F. E. Short, eds., *Political Change in Europe* (Oxford: Basil Blackwell, 1981), pp. 15 ff.

"The Danish welfare state has attracted much outside attention. Although its generous provisions have prevented real economic hardship during the prolonged international recession, many Danes recognize that its cost may be part of their economic problem."

Danish Politics in the 1980's: The Habit of Muddling Through

BY ERIC S. EINHORN

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MALAISE, frustration and pessimism characterize the Danish political mood. The unprecedented economic boom of 1957-1973 (to which the Danes refer as the "golden sixties") has faded into memory. People no longer talk of "when good times return"; they wonder whether it will be possible to restore full employment and economic growth in the foreseeable future. Despite Shakespeare's immortal characterization of the "melancholy Dane," the five million inhabitants of this pastoral and pleasant land are known for their humor and creativity. Given a vigorous press and liberal access to radio and television, the public debate in Denmark is loud if not always clear. Upon reflection, however, a foreign observer is struck with the universality of the economic, political and foreign policy challenges that Denmark shares with most other Western democracies. Denmark's small scale and openness make it an ideal "case study" or microcosm in which to analyze broader European trends.

Certain basic "facts" must influence any Danish government. The country is small (about twice the size of Massachusetts) and endowed with few natural resources. Most of its energy and raw material needs must be imported, and to pay for this, a strong export sector is vital. International political and economic developments on which the country can exert only marginal influence severely constrain policy choices. Danes are thus more aware than most peoples of global events and the meaning of "interdependence" between nations.

CURRENT DISCONTENTS

There are three dimensions to the present Danish discontents: economic, political and international. The first concerns the continuing stagflation, coupled with a severe financial crisis that limits the government's options. The political dimension refers to the parliamentary stalemate that allows only the most cautious initiatives. The international aspects center around the worsening of East-West relations globally and the ques-

tion of a West European response. These issues affect Denmark, but in each case a broader comparative dimension is apparent.

The current economic crisis in Denmark is generally dated from the "oil shock" of 1973-1974, when in a matter of weeks OPEC (Organization of Petroleum Exporting Countries) managed to quadruple the price of petroleum. The global economy reeled from this blow, which was exacerbated by the temporary embargoes imposed by some petroleum exporters in connection with the Arab-Israeli War of October, 1973. For Denmark, the disruption of supply and soaring oil prices spelled economic chaos, because Denmark imported virtually all its oil, mainly from the Middle East, and more than 95 percent of its energy supplies. The industrial boom that had propelled the Danish economy for 16 years (1957-1973) had been based on easy access to cheap raw materials. No raw material was more crucial than energy.

Nearly devoid of industrial raw materials, Danish industry had prospered by developing sophisticated specializations. A petrochemical and plastic industry was typical of Denmark's "niche" in the world economy. This pattern was similar to the transformation of Danish agriculture, which had commenced a century before. No longer able to compete in the production of feed grains, Danish farmers developed dairy and meat products that could benefit from the importation of cheap feed. Although Danish agriculture was less dynamic in the 1960's, owing in part to the development of the Common Agricultural Policy in the European Economic Community (EEC) before Danish membership, industrial development improved matters considerably.

The "oil shock" of 1973-1974 and the subsequent recession were not the first signs of trouble in the world economic fabric. Inflation accelerated severely in the early 1970's (and was in fact one of several reasons for OPEC's determination to recoup through higher petroleum price), and Danish governments seemed unwilling or unable to rein in an overheated

economy.¹ Like many other Western countries, the late 1960's and early 1970's saw exceptional growth in both private and public consumption, and Denmark's always troublesome balance of payments received only sporadic attention from successive governments. Indeed, the rapid decline of the American dollar vis-à-vis most European currencies after 1971 suggested that the real burden of Denmark's foreign debts (denominated mostly in United States dollars) was easing. As in other countries, there were strong political incentives not to disinflate the economy.² In Denmark's case the October, 1972, referendum on EEC membership may have dissuaded the Social Democratic government from following advice to restrain the economy. A booming economy was likely to help the pro-EEC cause.

Warning signals are clearest in retrospect. Full employment, rising real wages and record housing construction typified the final years of the boom. The only problems for the average Dane were the soaring tax rates (to pay for rapidly expanding social programs) and the boisterous critics of materialism, chiefly on the political left. With universal cost-of-living raises and full employment (unemployment averaged less than two percent in the late 1960's and early 1970's), the inflation problem, like the trade deficit, was an abstraction.

The post-1973 recession was sobering. Soaring energy prices affected everyone, but the Danes adjusted through exemplary and still continuing energy conservation. Restraint was forced on wage earners through legislation. By 1975, the economy was once again expanding, though not at the rapid pre-1973 pace. Unemployment remained troublesome, but the liberal unemployment compensation (up to 90 percent of the average industrial wage) prevented significant economic hardship. Unfortunately, the partial recovery in business, employment and income continued to strain public finances. Local governments, particularly, found it difficult to restrain expanding services and transfer payments. 1976 was a good year for the Danish economy; gross domestic product (GDP, the value of all goods and services produced within the country) increased at 6.9 percent as compared to the 4.7 percent average increase for all European members of

the Organization for Economic Cooperation and Development (OECD).³ The pace could not be maintained, partly because of balance of payments deficits; and in 1977 and 1978, the Danish economy expanded at only half the rate of the other European countries. Once again in 1979 the pace quickened, to an annual rate of 3.0 percent, close to the European average of 3.3 percent, but in the latter half of that year the second "oil shock" more than doubled the price of petroleum. Again national income began to fall, unemployment rose, and the trade deficit widened dramatically. Inflation returned to double digits, further weakening the country's international competitive position. In 1982, it appears that the slide will be reversed and modest growth restored, but at the cost of a severe crisis in public finances.⁴

The economy affects the country and its population in three ways: individual, structural and governmental. Individuals and families have seen very modest income growth since 1973, after more than a decade of unprecedented prosperity. For some groups, like farmers and the unemployed, living standards have fallen. Denmark remains, to be sure, a very wealthy country, especially when housing, diet, and the level of public services are considered. There are few signs of the kind of decay one sees in urban areas of the United States, Britain, and some other industrial countries. For most Danes, the frustration is psychological; the expectations of the early 1970's have not been met, and the future seems uncertain. These factors, less visible than physical hardship, can be felt culturally and politically.

Structurally, the Danish economy has performed more efficiently than many of Denmark's European neighbors. With few exceptions, Danish industry has always been small scale. There are no mines; there is only one steel plant (of modest proportions), and there are few large industrial establishments. If small is not always beautiful, in an economic recession it may be less ugly. Danish firms have been able to reorient their sales, production and plans to new realities. Two exceptions are the construction and the shipbuilding industries. The feverish pace of housing construction a decade ago would have been unsustainable even under the best of circumstances; with real incomes stagnant and interest rates hovering around 20 percent, decline was inevitable. The shipyards, the one major exception to the small scale of Danish industry, have suffered falling investment and trade, but again their greater diversity and flexibility have avoided the catastrophe of some Western shipyards (notably in Britain and Sweden).

Agriculture has traditionally been a vital sector in the Danish economy; its high quality specialized products find customers all over the world. EEC membership initially provided a substantial buffer for Danish farmers through guaranteed prices (usually well above

¹Economic prospects were surveyed in two comprehensive official reports, known literally as "Perspective Plans" I and II. *Perspektivplanlægning 1970-1985* (1971) and *Perspektivplanlægning 1972-1987* (1973).

²A conclusion of the report of eight leading Western economists in the McCracken Report of the Organization for Economic Cooperation and Development (OECD), *Towards Full Employment and Price Stability* (Paris: OECD, 1977).

³OECD, *Economic Surveys 1981-82, Denmark* (Paris: OECD, 1977).

⁴*Ibid.*, pp. 8ff. Danish economists have been less optimistic than the OECD, which forecast a 3 percent growth rate in 1982.

world market prices) and renewed access to European markets. Over-investment and high interest rates finally caught up with the farm sector, however, and the past two years have seen Denmark's worst financial crisis in agriculture since the mid-1930's.

An exception to the modest prospects facing most Danish industry is the development of Danish North Sea petroleum resources. Although nothing like the Norwegian oil boom is likely to occur, Denmark has significant gas and oil reserves in its small section of the North Sea. The initial investment is, of course, expensive for a small country, but cautious forecasters believe that by the end of the 1980's Denmark could meet more than half, perhaps two-thirds, of its energy requirements from its offshore resources. For a country that was nearly 100 percent dependent upon imported energy a decade ago, this is no modest improvement. Unfortunately, Danish petroleum development has been delayed by a dispute over long-term concessions between the Danish Underground Consortium (principally owned by the shipping firm of A. P. Møller) and the Danish state. Because North Sea development is very expensive, uncertainty over future petroleum prices is another cloud on the horizon.

For Danish public finances, there are few grounds for optimism. Despite one of Europe's highest tax rates, the Danish state has seen its deficits grow year by year. Prospects for fiscal 1983 project a deficit as high as 15 percent of GDP. This is more than three times the American deficit that has many writhing in Washington. Not even pure Keynesians (supporters of deficit financing during times of recession) can accept these prospects with equanimity. Interest rates at home and for foreign loans are likely to stay high unless the deficit can be brought down significantly. The political basis for tax increases is most uncertain, especially with a new non-Socialist government; thus it is hard to see

how social programs can escape some significant cut-backs.

Taxes and levels of public spending bridge the gap between economics and politics. The resignation of the Social Democratic minority government on September 2, 1982, was in large part caused by the difficulty of adjusting political priorities to economic realities. A non-Socialist coalition will face less parliamentary resistance to a modest trimming of social programs, but there is little public support in Denmark for large cut-backs.⁵ The political consequences of hard times reflect the narrow scope of economic maneuver.

THE POLITICAL DIMENSION

Nearly all observers agree that the sudden parliamentary election of December, 1973, at a time of extreme economic uncertainty, was an important landmark in the country's recent political history. Before that election, the pattern of Danish politics seemed reasonably set.⁶ Parliamentary elections remained frequent, about every two years throughout the 1970's, while political coalitions were less stable. By the late 1970's, it was clear that although the doubling of parties represented in Parliament and a substantial weakening of the "old" Danish parties in the 1973 election did not presage regular cataclysms, there would be no quick return to earlier patterns.⁷ It was no longer easy to talk of two blocs: "Socialist" and "non-Socialist." The Social Democrats remained the largest party, as they have been for over half a century, but whereas their average parliamentary support between 1950 and 1971 had been 39.4 percent, in the five elections since 1973 their average has been only 32.7 percent.⁸ In a closely balanced parliamentary system, even a modest shift of votes can have important political consequences.

There have also been important qualitative differences. In the period from the outbreak of the cold war in the 1940's to the mid-1960's, the Social Democrats faced no serious competition within the Socialist bloc; the Communists had negligible support. By the mid-1960's, however, a new resurgence of leftist political activity, centered primarily around the Socialist People's party (*Socialistisk Folkeparti*) challenged the reformist Social Democrats. Some of the New Left elements were working within the Social Democrats and have placed pressure on the party's more conservative leadership and labor union wing. Most New Leftists were members of small but visible leftist parties with whom sustained parliamentary coalition has been impossible.⁹ Thus, while the Social Democrats have remained the "normal" government party, they have been able to act only in concert with several other parties, usually from the center.

The non-Socialist bloc has been even more fragmented. The rise of the anti-tax Progress party in 1973 severely weakened the Conservative party. In 1975,

⁵*The Wall Street Journal*, September 3, 1982, p. 18.

⁶Erik Damgaard, "Stability and Change in the Danish Party System over Half a Century," in Stein Rokkan and Helen Aareskjold, eds., *Scandinavian Political Studies*, vol. 9 (Oslo: Universitetsforlaget, 1974), pp. 103-125.

⁷Sten Berglund and Ulf Linström, *The Scandinavian Party System[s]: A Comparative Study* (Lund: Studentlitteratur, 1978), esp. ch. 6; and Eric Einhorn and John Logue, *Welfare States in Hard Times: Problems, Policy and Politics in Denmark and Sweden*, rev. ed. (Kent, Ohio: Kent Popular Press, 1982), ch. 2 and appendix I.

⁸Danish election information is conveniently summarized in Einhorn and Logue, *op. cit.*, appendix 2. The Social Democratic electoral decline began in the mid-1960's.

⁹In 1966-1967 and 1971-1973 the Social Democrats relied on the Socialist People's party for parliamentary support for their domestic program. In both cases, the government fell when the coalition collapsed. In 1967, the Socialist People's party split, and in 1973 the Social Democrats lost several right-wing members. For a study of the Danish left see John A. Logue, *Socialism and Abundance* (Minneapolis: University of Minnesota Press, 1982).

however, the Conservatives began a slow but steady recovery. In 1981, they won 14.4 percent of the vote, two and one-half times their 1975 disaster, but still shy of the 17-20 percent norm before 1973. Although Mogens Glistrup's anti-tax Progress party on the right had inevitably attracted some Conservative voters disappointed by the liberalism of the 1968-1971 non-Socialist coalition, the Conservatives suffered a loss of leadership in the early 1970's. The recovery of the party has been very much the work of Poul Schlüter, who in September, 1982, became the first conservative Prime Minister since the establishment of parliamentary democracy in 1901.¹⁰

The Liberals (*Venstre*) have shed much of their agrarian image in the past 20 years, but they are still the principal defenders of agricultural interests. Like their frequent coalition partners, the Conservatives, the Liberals have seen a steady erosion of electoral support, except for their exceptional showing in 1975. In that case, they had nearly completed a difficult year of government and appeared as the natural leaders of the non-Socialist bloc. But their gain was made at the expense of the other non-Socialist parties, and the government reverted to the Social Democrats. The maneuverability of the Liberals was demonstrated by their unprecedented one-year coalition with the Social Democrats in 1978-1979. This coalition caused considerable consternation within both parliamentary blocs, but some economic reform legislation was enacted.

It has been harder for the centrist parties to project a distinctive profile. The Radicals (a left liberal party) have tended toward the Socialist bloc in the past six years as has the Justice party. The Center Democrats, who started as a splinter of right Social Democrats in 1973, have tended to join the non-Socialist bloc, as has the Christian People's party. In recent years, the Center Democrats and the Christian People's parties have more consistently cooperated with the Liberals and Conservatives, and will join the new governing coalition. This so-called "four leaf clover" will require additional support from either the Radical, Social Democratic, or Progress party to achieve a parliamentary majority.

The Progress party of anti-tax activist Mogens Glistrup, which burst onto center stage in the Danish political scene in 1973, remains a significant force despite considerable loss of electoral support. In its political debut, the party won 15.9 percent of the vote and was the second largest parliamentary group. In the 1981 elections, the Progress party drew only 8.9 percent of the vote, but it remains a potent bloc. The new non-Socialist government must rely on the party's passive support on some issues. The Progress party is still closely tied to the personality of its founder. Never-

theless, Glistrup was convicted in 1978 of tax fraud; the conviction was upheld and the punishment was stiffened in 1981 by the Appeals Court. Unless the Supreme Court overturns these decisions, Glistrup faces imprisonment. The already evident centripetal forces within the party could be strengthened should the charismatic Glistrup disappear.

The Danish political scene remains splintered, though perhaps marginally less so than it was in the mid-1970's. The electoral system, which guarantees proportional representation to any party gaining two percent of the vote, ensures the necessity of coalition and broad cooperation. The political record of the past decade is not so dismal as the frequent elections and Cabinet shuffles might indicate. Carefully balanced "economic packages," which combine fiscal restraint with marginal adjustments to public programs, have resulted. Parliamentary compromises have been related to broader economic cooperation between labor and management, sometimes under direct government pressure.

Until 1979, it appeared that these compromises might be sufficient to pull the country through the global stagflation. Since then the record has been less hopeful. The depth and length of the 1981-1982 international recession and the inflexibility of some domestic political elements undermined the Social Democratic government. An endurance contest between those who no longer will accept tax increases and those who refuse to consider trimming social programs has emerged. Many Danes belong to both camps simultaneously!

THE INTERNATIONAL DIMENSION

Citizens of a small state located in the center of Europe are not permitted the luxury of preoccupation with domestic affairs. Denmark's economy is tightly tied to the global economy, and the country's security is inexorably linked to European and international security. The deterioration of international relations during the past five years has been followed anxiously in Denmark. For more than 30 years, Danish governments have described their country's foreign relations as resting on four pillars: a Nordic pillar, consisting of pragmatic but close cooperation with the other Nordic states through the Nordic Council; an Atlantic pillar, comprising the heart of national security policy in NATO (North Atlantic Treaty Organization); a European pillar, since 1973 based primarily on Danish membership in the European Economic Community; and, finally, a global pillar, tied to the United Nations and its organizations. The Nordic and global dimensions of foreign policy have enjoyed broad support across most of the political spectrum. NATO and the EEC have been more controversial.

The Nordic Council has built an impressive web of collaboration with a remarkably small administrative

¹⁰*The Wall Street Journal*, September 8, 1982, p. 37. The Conservatives held lesser ministries in several earlier coalition governments.

superstructure. Every year, Danish parliamentarians from the major political parties meet in plenary sessions with their colleagues from Finland, Norway, Iceland and Sweden to consider new initiatives for practical cooperation and to debate reports from multilateral commissions. Although this effort has emotional and historical roots, the results are aimed primarily at promoting the interests and opportunities of Nordic citizens who choose to work and live in another Nordic state. An impressive array of projects promote a common awareness of Nordic culture among the Scandinavian peoples and toward the outside world. More elaborate efforts to develop economic or political integration have not been successful.¹¹

Despite the frustrations that have plagued the United Nations in recent years, Danish commitments to it have remained strong. Political leaders as well as ordinary citizens are deeply worried about the North-South dimension of world politics. Foreign aid to developing nations increased dramatically in the 1970's; in 1978, Denmark joined Norway and Sweden in meeting the United Nations target of devoting 0.7 percent of gross national product to official (government) development assistance. Some development projects have been undertaken jointly with other Nordic states. Although the current economic crisis inevitably will affect future projects, no significant retreat from this commitment is anticipated. In addition, Denmark has taken part in "peacekeeping" efforts for more than 25 years; contingents of the Danish armed forces are trained and earmarked for such roles.

There has been much more controversy over the extent of Danish participation in NATO. Although NATO membership continues to enjoy popular support and is backed by the vast majority of politicians, Danes have been reluctant to support increases, both quantitative and qualitative, in European NATO forces. Part of the resistance is economic; modern military equipment is very expensive, especially for a country without a large armaments industry. But fundamentally the reluctance has stemmed from Danish disappointment over the deterioration of détente in Europe and the failure of various disarmament proposals. On the political left, both the Soviet Union and the United States have been accused of seeking a new cold war, with the United States receiving most of the blame. There has been much discussion of various proposals for a Nordic nuclear free zone, a proposal originally promoted by President Urho Kekkonen of Finland. The Social Democratic government, which faced considerable dissent within its own ranks, tried to control the issue by establishing a Security and Dis-

armament Commission, whose mission was to evaluate various security policy options. Its detailed report in the summer of 1982 concluded that, despite the very real dangers posed by the nuclear arms race, there was no reason to change the basic foundations of Danish security policy. It recommended that NATO membership, coupled with the long-standing policy of not stationing NATO forces (other than Danish) on Danish territory in peacetime, should be maintained. An isolated Nordic nuclear free zone, which already exists informally, would gain nothing through unilateral measures. Much depends, however, on the success of various arms control and troop reduction negotiations.¹²

The European dimension of Danish foreign policy focuses on the European Economic Community (EEC). Although Danes approved membership in the EEC by a 3-2 margin in the national referendum of October, 1972, support for membership has declined. Four of the country's 16 members of the European Parliament belong the Popular Movement against the EEC, and at least two other Danish "Euro-MPs" are similarly opposed. Shortly after gaining full home rule, the associated territory of Greenland voted by a slim margin to withdraw from the EEC. The Faroe Islands have never belonged.

More generally, Danish EEC policies have favored economic cooperation, but have been distinctly cool toward any efforts to increase political integration. Nevertheless, the country has joined the European Monetary System and has fulfilled its membership obligations. The principal benefit from EEC membership has been the Common Agricultural Policy, which guarantees both markets and prices for an important export sector. The Danes have resisted EEC policies, like regulation of fishing, which would adversely affect Danish interests. Such "nationalist" policies are scarcely unique to Denmark. The unfortunate coincidence of EEC membership and the prolonged economic recession have inevitably led many to connect the two events. Others argue that without EEC membership and cooperation, matters might be much worse. Although a radical change in Denmark's position is unlikely in the near future, the opposition to EEC is strong, well organized and unrelenting.

(Continued on page 434)

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¹¹See Erik Solem, *The Nordic Council and Scandinavian Integration* (New York: Praeger, 1977).

¹²Sikkerheds-og Nedrustningsudvalget (SNU), *Summary and Conclusions* [English translation] (Copenhagen, 1982).

"The first democratic Socialist government in Spanish history will face intractable problems. The Socialists have promised to avoid drastic economic changes, like the nationalization of industry, but they will try to promote expansion and greater employment, probably increasing inflation. Regional autonomists expect a more lenient administration and further concessions The struggle against terrorism will continue."

Spain's Political Future

BY STANLEY G. PAYNE

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THE democratization of Spain between 1975 and 1979 was a remarkable achievement: a fully institutionalized modern authoritarian regime, based on a modern organic-statist philosophy, democratized itself from the inside out, using its own personnel and institutions. The transition to democracy depended on several key factors, the foremost being the remarkable skill and determination of the young King Juan Carlos, who succeeded Generalissimo Francisco Franco as head of state just before the end of 1975. It depended also on the transformation and education of Spanish society, which during the last 15 years had increasingly adopted the styles, attitudes and expectations of West Europe. Spain had ceased to have a Franco-style society well before the death of Franco. Its democratization would never have been successful without the sophistication, tolerance and altered outlook of much of the Spanish citizenry.

The transition also depended on effective political leadership, and for at least three years this was provided by Adolfo Suárez, appointed Prime Minister by the crown in mid-1976. By profession a political bureaucrat of the Franco regime, Suárez quickly refuted personal critics by proving a skillful political maneuverer and manipulator. In his mid-forties, Suárez understood intimately the old mechanisms of Francoism on the one hand and the rising new generation of Spanish liberals and leftists, on the other. He adroitly maneuvered the old Francoist Parliament into voting its own system out of existence and then, in 1977, presided over the first democratic Spanish elections since 1936. He also effectively filled the dangerous gap between left and right by organizing a new middle class-based Union of the Democratic Center (UCD), which won a plurality in the 1977 constituent elections and then, after a new democratic and decentralized constitution had been written in 1978, in the first regular parliamentary elections of March, 1979. Suárez excelled at personal relations. A charismatic image in the mass media, he was the dominant figure in Spanish democratization from 1976 to 1980.

Suárez's achievement was twofold: first, he liquidated the institutions of the old dictatorship; second, he presided over the transition to a functional new parliamentary party system, with his own party dominant. Where Suárez began to fail, however, was in the task of effectively administering the new government and in completing the development of its complex new institutional structure, particularly with respect to demands for regional autonomy. He had little or no training in economics and pursued a weak, hesitant economic policy that offered no solutions when inflation ran at 25 percent a year, production virtually stagnated, and unemployment passed the 10 percent mark.

By 1980, Suárez faced manifold problems. Conflicts within his own party, never much more than a conglomerate coalition, alienated and embittered him. A sector of UCD *críticos* demanded more intraparty democracy, more efficient party administration and a tougher, more resolute government approach to problems. As 1980 wore on, Suárez exhibited characteristics of an almost manic-depressive personality, his earlier periods of frenetic activity giving way to long bouts of melancholia and withdrawal. The Roman Catholic Church hierarchy, which had cooperated in the transition, increasingly pressured the government to oppose the liberalization of divorce. The Spanish military, which had restively and grudgingly accepted change, feared that the Suárez regime was leading the country to national suicide through regional separatism; efforts had to be made to placate their feelings. Emotionally exhausted, Suárez resigned early in February, 1981.

His successor as leader of the UCD was Leopoldo Calvo Sotelo, a practical, taciturn engineer and businessman from a distinguished conservative family. Calvo Sotelo promised a serious and practical administration, but proved unable to win absolute majority approval when the Cortes (Parliament) reconvened on February 20, 1981.

The session of February 23 was suddenly inter-

rupted by the invasion of 180 paramilitary Civil Guards, who seized control of Parliament and for nearly 24 hours offered a unique spectacle: the only attempted coup d'état filmed from the inside by parliamentary cameras. The abortive revolt of February 23-24, 1981, was in the nineteenth century Spanish tradition of military *pronunciamientos*; although the Parliament and its deputies were seized, the entire government was not taken over. Instead, a small group of police grabbed control of a single center, "pronouncing," with the expectation that major military units would come to their aid. Only two did—the Valencia garrison under the ultra-right wing General Milans del Bosch, and one section of Madrid troops, who seized radio and television transmitters. Commanders of other sectors had apparently been contacted, and for some hours the regime's fate hung in the balance.

Its savior was neither the government, most of whose leaders were captive, nor loyal sectors of the military, but the King himself. Juan Carlos immediately reached nearly all the top ranking commanders to counter rumors that he was associated with the coup; he assured them that military rebellion could only succeed over a royal corpse, since he would resist it to the death. He then reestablished calm in an anxious nation by means of a personal television appearance. The revolt collapsed the next day.

Yet the failure of the *pronunciamiento* did not so much strengthen Spain's new political institutions as reveal their fragility. The Socialists, as the main opposition party, had been vociferously castigating Suárez for incompetence and failure to develop the new regime; after the abortive coup they were momentarily sobered and ceased to call for immediate elections. Though only a few dozen officers had openly rebelled, hundreds of others expressed sympathy for them and all the parliamentary groups suddenly realized that they were walking a rather thin line.

THE CALVO SOTELO GOVERNMENT

The Calvo Sotelo administration inaugurated a distinctly more conservative policy. Thirty-four officers who constituted the overt leadership of the revolt were brought to trial in military court in November, 1981, but in the meantime measures were taken to placate the military. New appointments to senior command were carefully negotiated with the top military hierarchy, and the state-controlled radio and television saw to it that more favorable publicity was given to the armed forces.

Calvo Sotelo pursued a more conservative policy in four main areas: the struggle against terrorism, the organization of regional autonomy, economic policy, and foreign affairs. A new Law for the Defense of the Constitution was passed with the cooperation of other parties. The law established stiff penalties for the ac-

complices of Basque terrorists who make their operations possible and stripped legal immunity from their political liaisons in elected bodies. Nonetheless, the results of the new antiterrorist campaign have been limited. The more moderate of the two branches of the Basque ETA announced a truce at the close of February, 1981, declaring that it would henceforth pursue peaceful means of political struggle so long as the terms of the Basque autonomy granted by the government in the preceding year were respected. The "Rama militar," the more extreme of the two ETA terrorist groups, responded with 22 assassinations in the next seven weeks. By mid-1981, a section of the ETA moderates also split off and declared their return to violent methods. The rate of violence diminished after the middle of 1981, and the reorganized police began to enjoy somewhat more success in finding suspects and breaking up terrorist squads.

The democratic regime was fully committed to regional autonomy, but the Calvo Sotelo government tried to avoid the extreme fractionalization that so alarmed the military. Again with Socialist support, a new Law for the Harmonization of the Autonomic Process (LOAPA) was prepared to coordinate and restrain the devolution of autonomous rights to the newly self-governing regions. At the same time, the government tried to organize the structure of autonomy. By June, 1981, a parliamentary commission representing the four major Spanish political parties had completed a plan for the virtual reorganization of Spain into 16 autonomous districts. Of these, three would be major autonomous districts with broader powers of self-government: Catalonia, the Basque country, and the newly recognized autonomous region of Galicia. The other 13 areas would enjoy more modest autonomy and they would be more tightly integrated with the national administration in a system to be fully worked out by the end of 1983.

ECONOMIC POLICY

In economic policy, the Calvo Sotelo administration followed a course of modest conservative reform, paying slightly more attention to the free market. Before 1981, the government of the democratic transition could not be said to have had a distinctive economic program; it merely followed the policies of the late Franco period in a weaker and more indulgent manner. One of Calvo Sotelo's major achievements was to cut the inflation rate from 25 percent in 1980 to 15 percent in 1981. This was accomplished through stricter policies, tighter credit and more stringent monetary guidelines, and a partial reduction of subsidies to inefficient producers.

The economic development of the late Franco years had relied on relatively cheap labor, easy credit, foreign investment, and a system of partial state capitalism that cooperated closely with dominant enterprises in

the private sector. But by the late 1970's, Spanish labor was no longer cheap, foreign investment was disappearing, credit was becoming tight and state industrial enterprises were running massively in the red. Emigrant workers returned to Spain by the hundreds of thousands. And unemployment passed the 10 percent mark, reaching 15 percent in 1981, the highest figure in West Europe except for Portugal. Although Spanish welfare payments are proportionately smaller than those of most West European countries, the high unemployment meant that a greater share of Spain's national income went to unemployment relief than in any other West European country, again with the exception of Portugal. Most distressed of all was Spanish agriculture; farm output declined sharply because of the wilting drought of 1981. The value of agrarian production dropped to minuscule proportions in the overall economy.

By the beginning of 1982, however, there were signs that parts of the Spanish economy were starting to rebound. Hard times had some effect in eliminating inefficient and noncompetitive practices, and Spanish output improved slightly. A remarkable new labor agreement signed in mid-1981 set Spanish wage increases at a figure well below inflation for the first time in many years, with raises capped at about 10 percent. Foreign investment, which had begun to grow in 1979, spurted ahead in 1981. The Spanish stock market, one of the most depressed of any industrial nation in the late 1970's, changed dramatically, recording one of the steepest rises in the world in 1981-1982.

With industrial profitability returning, the economy registered a net growth of 1.3 percent for 1981, despite the drastic agricultural decline. Unemployment finally peaked at 16 percent in early 1982. Though manifold problems remain, in May, 1982, the OECD (Organization for Economic Cooperation and Development) projected 2.5 percent growth in the Spanish GNP (gross national product) for the year, with a further decline of 2 percent in the rate of inflation and no subsequent growth in unemployment.

Calvo Sotelo's program was most decisive in foreign policy, aiming for the inclusion of Spain in both NATO (North Atlantic Treaty Organization) and the European Economic Community (EEC) as rapidly as possible. The latter goal had long been accepted by all sectors of the public. But alignment with NATO provoked such intense domestic opposition that the Suárez government, although backing it in principle, always shied away from it in practice. Moreover, amid the growing weakness and disorientation of his administration in 1980, Suárez had rather confusingly endeavored to generate a new public image as an international leader by making gestures to the nations of Latin America, North Africa and the Middle East. Though nominally dissenting from the Spanish Socialists' "neutralist" foreign policy, he had sent a Span-

ish delegation to the conference of the so-called non-aligned nations in Havana.

This confusion ended as soon as Calvo Sotelo became Prime Minister. His government soon introduced legislation allowing Spain to request formal entry into NATO. This provoked strong protest from both Socialists and Communists, but the administration held enough votes in Parliament, and forced the issue through before the close of 1981. Spain's petition was finally approved by individual NATO members six months later, opening the way for full membership in the Western alliance nearly 24 years after its founding.

One argument for Spain's entry into NATO was that it would also help expedite full Spanish inclusion in the Common Market. Spain has been an associate of the EEC since 1970 and first applied for full membership in 1977. For five years the EEC members have dragged their feet on the Spanish petition, since membership would create multiple problems both for Spain and the Common Market. Full inclusion would require costly and far-reaching adjustments within the Spanish economy, important sectors of which receive special government support and protection. Conversely, for the EEC, Spanish membership would greatly expand the proportionate weight of the weaker southern economies that require special concessions at the expense of the original members. Acceptance of Greece in 1981 only made the problems presented by Spain and Portugal more salient. Moreover, Spanish agriculture directly competes with key sectors of French agrarian production, and France's opposition has never been gracefully disguised. That movement toward entry into the EEC was stalemated altogether by the middle of 1982 came as a bitter disappointment to some Spaniards.

Renewal of Spain's special bilateral relationship with the United States was more successfully resolved, even though discussions stretched a year beyond 1981, the initial date for expiration of the five-year treaty. In July, 1982, representatives of the two governments reached an accord on a new five-year arrangement that was categorized as an agreement rather than a treaty, in part to facilitate ratification later in the year. The agreement's main feature is the continuation of the bilateral military relationship, modified by the explicit limitation that the United States cannot use military facilities in Spain for actions beyond the immediate terms of the agreement without Spanish approval.

CALVO SOTELO'S POLITICAL FAILURE

In international affairs and domestic administration, the record of the Calvo Sotelo government was not altogether unsuccessful. But in politics it was a disaster. The failure stemmed first of all from the style and personality of the taciturn Prime Minister himself, who

is more an administrator and arbiter than a political leader. Moreover, he was not able to replace Suárez as the active leader of the UCD; instead, he suffered at the hands of discordant factions in the party leadership and the government. This resulted in a tendency to vacillate on domestic political and intraparty issues; thus by the spring of 1982, the Prime Minister seemed to be marking time.

His government continued the Suárez policies more conservatively. The new administration did manage a steady reduction in the balance of payments deficit. But it was unable to carry out projected reforms in economic policy, and the continuation of the Spanish system of state subsidies and investments led to the highest budgetary deficit in Spanish history. Unemployment remained within the 15 percent range, and by mid-1982 there was renewed danger of a jump in inflation.

MILITARY POLICY

The most bitterly resented and criticized aspect of the Calvo Sotelo government was the military policy of Minister of Defense Antonio Oliart. After the coup, the new minister took the position that the military must be placated at all costs; by the end of 1981 it was being said that the government had lost *de facto* control of Army administration. New appointments to the JUJEM (joint chiefs of staff) were made largely on the terms set by the armed forces, and some military spokesmen seemed to be demanding a partially autonomous military structure. When the verdicts in the court-martial of the rebels of February 23 were announced in June, 1982, the two leaders received sentences of 30 years; some 20 others received lighter terms ranging from 1 to 6 years; and 12 were absolved altogether. Most civilians, including Calvo Sotelo himself, protested the leniency of the military court.

The government's attempt to handle regional autonomy more conservatively may have pleased the military, but it backfired against the administration. Most Basque and Catalan regionalists went into opposition; and the government was soundly defeated in regional elections in Galicia and Andalusia, the latest areas to gain autonomy.

There is also the fact that the UCD was in power uninterruptedly for nearly five and one-half years, an all-time record in Spanish parliamentary governments. Any governing entente can withstand inherent strains and discontents only for a limited period. The Socialist lead over the UCD in public opinion polls steadily widened after the fall of 1981, when the governing party began to suffer defections from parliamentary deputies at both extremes. It had never enjoyed an absolute majority; and such desertions, combined with the loss of support from the moderate Catalanists, placed the government in a minority position by the spring of

1982. It survived only through the sufferance of the Socialists, who were not yet prepared to overturn the government and face new elections.

Adolfo Suárez was another influence on the internal decomposition of the UCD. Never content to play a minor role, he worked during the first half of 1982 to undermine his successor, partly on the grounds that Calvo Sotelo was carrying UCD too far to the right. On July 31 Suárez announced that he had abandoned the party he originally created and was forming a new *Centro Democrático y Social* (CDS) party. Several weeks earlier, the Prime Minister had yielded the UCD party presidency to Landelino Lavilla, minister of justice under Suárez, to try to reconstitute its various factions. Calvo Sotelo had lost control not only of Parliament but of his own party as well; he announced that he would not be leading it in the next general elections in October, 1982.

The Socialists, led by the photogenic young Felipe González, were waiting to capitalize on the disenchantment with the UCD. As an organized party, the Socialist Workers party (PSOE) is nearly a century old; it was founded in 1888. It is by far Spain's oldest major party, yet its history has been dotted with fiascos. Its first partial commitment to social democracy in the initial phase of the Second Republic after 1931 failed; its espousal of revolution after 1933 ended in total disaster.

Today's Spanish Socialist Workers party is a new organization, reformed by young anti-Francoist militants in 1972. When their first free party congress was held in 1976, the Socialists (with nearly two-thirds of the delegates under 35 years of age) made much of their Marxism, rejecting social democracy as the "administration of capitalism." This doctrine cost them dearly in the elections of 1977 and 1979. Although González and his chief associate, Alfonso Guerra, the tough-talking organizational director, understood the need to project a moderate and reasonable image in order to attract lower middle class votes, their pragmatism could not overcome the effects of the party line. Suárez scored most effectively in the 1979 elections against the "real [Marxist] program" of the Socialists, who lost 10 percent of the vote they had initially enjoyed in 1977.

That defeat led González and his pragmatists to reform the party and guarantee more flexibility. Following a brief tactical resignation, González regained full control of the PSOE leadership at an extraordinary congress in September, 1979, which officially affirmed the party's eclectic basis. Marxism was declared to be only one of several valid approaches for Spanish Socialism, which was still described as a "class organization." Since then the party leadership has made an major effort to project a moderate image of Socialists eager to "administer capitalism" rather than move quickly into socialism. Business figures have been as-

sured that a Socialist government would not plan to nationalize industry.

Tactics of moderation were reemphasized after the abortive coup of 1981. Before the coup, the party had generated an all-out assault on Suárez, eager to bring down the UCD and provoke new elections as soon as possible. After the coup, the strategy became more circumspect.

Socialist strength lies in the major urban and industrial areas and in the backward south. Sometimes in conjunction with the Communists, the Socialists control the municipal governments of most of the larger cities in Spain. They won a resounding victory in the first Andalusian regional elections of May, 1982, attracting half the total vote, a figure 60 percent higher than their national average three years earlier.

In 1982, they outdistanced their Eurocommunist competitors. During the Civil War, the Spanish Communist party (PCE) had become the strongest in West Europe. Throughout the long history of the Franco regime it functioned as the most active leftist opposition force and retained a strong foothold in the ranks of industrial labor. With democratization, Santiago Carrillo, its wily and veteran leader, adopted an even more advanced Eurocommunist position than his Italian counterparts, hoping to expand communism quickly into a major national force.

This did not happen. In Spain, communism has a bloody history not easily overcome by cosmetics and propaganda. The party's appeal to democracy clashed with the internal reality of central party control under Carrillo. Like the UCD, the PCE also suffered from the opposition of both its extremes. Hard-line Leninists, particularly in Catalonia, and pro-Soviet "Afghans" chafed under what they regarded as a sellout of true Marxism-Leninism. In 1980, the semiautonomous Catalan division (PSUC) reaffirmed its Leninist identity. Within a year or so, Carrillo regained firm control, but in the meantime several prominent "Euros" had abandoned the party and dissidents on both extremes had been purged from the central committee and other key party agencies. The Basque section of the party split in two; many Basques joined left-wing Basque nationalists. This left the PCE in disarray, with its immediate future in doubt.

Nor has the party retained all its blue-collar support. In the first national trade union elections, the Communist syndicates (CCOO) gained 35 percent of the worker vote, far more than the Socialists (UGT), but in the second syndical elections of December, 1980, the Socialists pulled approximately even.

THE CONSERVATIVES

Though the radical right has virtually disappeared as a political force (except for the Army), parliamentary conservatism has been gaining ground. Democratic conservatism in Spain is represented primarily

by Manuel Fraga Iribarne's Alianza Popular, which initially did poorly in national elections, winning even less support than the Communists in 1979. More recently, however, Fraga has reorganized and revitalized the organization, giving it more unified leadership and a positive new image. The decline of the UCD has further enhanced Alianza Popular (AP) as a credible alternative, conservative, constitutional and democratic. The first indication of AP's revival was its victory in elections to the regional parliament of Galicia, held in September, 1981. This was followed by AP's second-place finish in the Andalusian regional elections of May, 1982; it came in ahead of the UCD and Communists in the poorest and most backward of the special regions of Spain, where it was supposed to have little appeal.

REGIONALISM

The greatest confusion in the new Spanish civic culture stems from regionalism. In the two most important regions—Catalonia and the Basque country (Euskadi)—the national parties are weak and regional affairs are dominated by separate regionalist parties. Yet that is all that Basque and Catalan parties have in common. Devolution of autonomy to Catalonia began as early as 1977, and the Catalans responded with moderation and cooperation. Their regional government is headed by a moderate middle class party (*Convergència Democràtica*), not unlike the UCD; the Catalan Socialists constitute the second largest group.

Basque nationalism is the Achilles heel of Spanish democracy. The main sources of terrorism are the two branches of the revolutionary Marxist-nationalist movement, ETA. The Calvo Sotelo regime also suffered from the intransigence of the principal nationalist organization, the Basque Nationalist party (PNV), which has only slowly and grudgingly begun to cooperate with Madrid.

The level of conflict generated in the Basque provinces (now known by the neologism "Euskadi") compared with peaceful Catalonia is at first glance not easy to explain. The standard of living in Euskadi is as high as in Catalonia, while indices of religiosity and cultural conservatism are higher. Part of the answer lies in the degree of internal division and the perception of threat in the Basque provinces. The Catalan language is widely diffused and its culture is secure; but most people in Euskadi do not know Basque. One-third of the population there consists of immigrants, many of whom are not assimilated. Although nearly all inhab-

(Continued on page 434)

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"Can the government convince French voters that the Socialist view of France has legitimacy and stability? Did the French electorate really vote in 1981 for the return of the revolutionary tradition?"

France: The Return of the Revolutionary Tradition

BY WILLIAM FRANCIS RYAN

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AFTER 24 years of conservative rule, the Socialists' victory in the spring of 1981 indicated that the French wanted change; what was not immediately evident was its degree and scope. Were the voters calling for the implementation of the Socialist-Communist program that promised the nationalization of industries and extensive new social programs? Or were they voting against unemployment and inflation and a President seen as aloof and out of touch with the people? Whatever their intentions, the election results indicated that the French were willing to take a chance on the Socialists who, at long last, were given the opportunity to rule France.¹

On May 10, by a majority of 52 percent to 48 percent, the leader of the Socialist party, François Mitterrand, was elected to replace Valéry Giscard d'Estaing as President of the Fifth Republic. One month later, on June 21, the voters gave the new President an absolute majority (289 out of 491 seats) of Socialist deputies in the National Assembly.² For the first time in French history, a Socialist was elected to the presidency and the non-Communist Socialist Left was in control of the legislature. Yet another surprising aspect of the

election was the fate that befell the Socialists' allies, the Communists. After receiving only 15 percent of the vote in the presidential race, the Communists won a mere 44 seats. This was their poorest showing since World War II.

The reemergence of the French Left must be analyzed in relation to France's revolutionary past. Although some French never accepted the Revolution, all post-1789 governments and constitutions (with the sole exception of Vichy*) recognized the Revolution as part of their legacy. But their leaders have never agreed on the interpretation of the legacy: whether it was completed, or how to further realize its ideals (but not its terrors). The parties of the more radical Left—the Socialists and, in modern times, the Communists—have occupied a "party of movement" that sought to build on the egalitarian and humanitarian "unfinished business" of 1789. The moderate or centrist Left, usually in power as the "party of order," has seen the Revolution as completed and believes that its gains must be preserved and its "esprit" must be conservatively but firmly contained.³

The long irresolution of this question has been exacerbated by the ideologies dividing the Left, inspired primarily by the Revolution and its ideals as understood by French thinkers from François Babeuf to Pierre-Joseph Proudhon. The incorporation of Karl Marx's thought subsequently introduced a dynamic new model for revolution that widened the divisions of the Left. Henceforth, non-Communist French Socialists were forced to draw distinctions between Marxist revolution and class struggle and the humanitarian French ideals of *humanité* and *fraternité*. The non-Socialist Left, on the other hand, drifted further to the right in the face of this new threat to French society and order.

Since the failure of the Popular Front, the Socialist Left has been wracked by feuding. Meanwhile, the Presidents of the Fifth Republic effectively rebuilt modern France with a regime designed to transcend and work without reliance on old parties and ideologies. As their conservative regimes restored France to a position of power and respect, François Mitterrand took over the Socialist party and was forging a united

*Editor's note: The government that ruled France from Vichy under German occupation in World War II.

¹Howard Machin and Vincent Wright, "Why Mitterrand Won: The French Presidential Election of April-May, 1981," *West European Politics*, vol. 5, no. 1, (January, 1982), pp. 5-35; Byron Criddle and David S. Bell, "François Mitterrand and the Socialist Victory of May-June 1981," *Contemporary Review*, vol. 239 (September, 1981), pp. 136-143.

²The new majority includes 271 Socialist party members, 14 seats held by the closely allied MRG (*Mouvement des Radicaux de Gauche*) and 4 other independent Socialists. The Gaullist RPR (*Rassemblement pour la République*) went from 155 to 88 seats and the Giscardian UDF (*Union pour la Démocratie Française*) from 119 to 62. See Neill Nugent and David Lowe, *The Left in France* (New York: St. Martin's Press, 1982) p. 248; David S. Bell, ed., *Contemporary French Political Parties* (London: Croom Helm, 1982), pp. 21-22; Howard Machin, "The Third Ballot of 1981: The French Legislative Election of 14 and 21 June," *West European Politics*, vol. 5, no. 1 (January, 1982), pp. 95-97.

³Nugent and Lowe, *op. cit.*, pp. 5, 9-15; François Goguel and Alfred Grosser, *La Politique en France*, rev. ed. (Paris: Armand Collin, 1980).

Left to challenge the Gaullists and Giscardians. Mitterrand saw his successful bid for power in 1981, after his attempts in 1965 and 1974, as a summons for the return of the revolutionary tradition.

THE SOCIALISTS IN POWER

In assuming the presidency, Mitterrand was determined to retain the broad-based Leftist support he had built over a 10-year period. His 44-member Cabinet is headed by moderates, respected figures in government and business circles. These include Pierre Mauroy as Premier, Claude Cheysson as Minister of External Relations, Jacques Delors as Finance Minister, and Pierre Dreyfus as Minister of Industry. Other moderates, Gaston Defferre and Michel Rocard, occupy the ministries of Interior and Planning and the radical Jean-Pierre Chevènement (who heads the Marxist CERES study group) and Robert Badinter occupy the posts of Technology and Justice. Four Communists were appointed to minor posts, but only after Georges Marchais, the French Communist party (PCF) leader, pledged "flawless solidarity" with Mitterrand and agreed to his stands against the Soviet invasion of Afghanistan and in favor of United States missiles in Europe. The inclusion of the Communists, an unnecessary step in light of the Socialists' absolute majority in the Assembly (289 out of 491 seats), was important. The Communist participation in the Mitterrand government makes them accomplices in government policies; they cannot easily claim the role of outsider critic.⁴

The new administration soon established its Jacobin credentials, symbolically and substantively. During the post-inaugural march to the tomb of Jean Jaurès in the Pantheon, the *Marseillaise* was played at faster tempo and the red rose was displayed. During its first 30 days in office, the government raised the minimum wage 10 percent, increased family allowances and old-age pensions, cut the work week from 40 to 39 hours and added a fifth week of paid vacation. Legislation was passed that abolished the death penalty, retired the guillotine (designed as a humane means of execution by earlier revolutionaries) and dismantled the special State Security Court that had dealt with terrorists (mostly Breton and Corsican separatists) in closed sessions and without hope of appeal.

Although these steps hinted at grander designs, Mitterrand knew that France's voters were primarily concerned with immediate economic problems. Pre-

mier Mauroy outlined a Keynesian policy that was intended to reduce an 8.4 percent unemployment rate and to cut a 13-14 percent inflation rate by the spring of 1983. Reform measures were designed to increase consumer spending which, in turn, would stimulate production and investments and realize an overall growth rate of 3 percent. By May, 1982, this policy was in full force. The minimum wage and old age pensions were increased 25 percent; family allowances increased 50 percent and housing subsidies increased 25 percent. The 39-hour work week and increased vacation time created 120,000 new government and public sector jobs, acting as job-sharing devices to increase employment.⁵

Thus far, the government's economic policies are disappointing. By the spring of 1982, consumption had increased but so had inflation, the implicit trade-off of this employment policy. The inflation rate remained around 14 percent, up from 12 percent in 1980; it is currently the highest rate for any European country. Worse yet, because French goods are more expensive, the French are spending their increased income on imported goods. This has had an adverse impact on France's trade deficits. While the deficit figures were slightly lower in 1981 (48.3 billion francs compared to 52.3 billion in 1980), the deficit for April, 1982, alone was 10.16 billion francs, the highest monthly figure since 1968. Perhaps most discouraging, the new policies have thus far failed to lead to an improvement in the employment picture. As of June, two million French workers, 8.5 percent of the work force, were still without jobs.

These sobering numbers have required the government to make some radical readjustments. In June, 1982, the franc was devalued by 10 percent for the second time (the first was in October, 1981) in order to bring the franc into line with other currencies and to improve French competitiveness. At the same time, the élan of reform was subdued; Mauroy adopted an austerity program and placed a four-month freeze on wages and prices. To encourage private investment, the government also promised to defer by \$1.8 billion the collection of taxes on higher incomes and industrial profits for a two-year period. Instead of employment and consumption, the government is emphasizing austerity and inflation control.

The outlook for the economy in 1983 is guarded. The Socialists have realistically scaled down their goals. The government is hoping to bring inflation down to 8.5 percent while maintaining a growth rate of about 2.5 percent. The budget for 1983 is more modest, and government spending will be about 15 percent lower than in 1982. Socialist shortcomings have been criticized by the opposition parties, who won four Assembly seats in January, 1982, by-elections and captured a majority of council seats in cantonal elections in March. If the economic indicators have not changed

⁴Nugent and Lowe, *op. cit.*, pp. 247-248; David Shireff, "Planning the October Revolution," *Euromoney* (August, 1981), p. 94; French Embassy, Press and Information Division, January-February 1982, pp. 1-3.

⁵Neville Waites, "France under Mitterrand: External Relations," *The World Today*, June, 1982, p. 224; François Fejto, "Mitterrand's France," *Encounter*, vol. 62, no. 4 (October, 1981), pp. 78-80; *OECD Economic Outlook* (France), no. 31 (July, 1982), pp. 91-95.

by the spring of 1983, the opposition will probably embarrass the government again in the municipal elections in March. Opposition leaders, especially Jacques Chirac of the Gaullist RPR (*Rassemblement pour la République*) have exploited the Socialists' reversal of economic policy; they predict failure for the government's longer-term plans.

The centerpiece of the Socialist government's larger goals is the controversial plan to nationalize 11 major industrial groups and more than 30 banking and credit organizations. This plan, passed in late 1981 (and declared constitutional by the *Conseil Constitutionnel* in January) is based on the 1972 Common Program of the Socialist and Communist parties. Historically, the plan is seen as a logical and forthright translation of the old policy of *dirigisme*, whereby governments freely intervened in the private economy.

The plan has been confined to specific industries. The firms covered, including Dassault (aircraft), Thomson-Brandt (electronics), CIT-Honeywell Bull (industrial machinery), Saint Goban-Pont-a-Mousson (glass), Rhone-Poulenc (chemicals) and Usinor-Sacilor (steel), employ 16 percent of all industrial workers or 4.5 percent of the nation's workforce. The population employed in the public sector has increased from 10.9 percent to 15.3 percent and increased government control of investment capital has gone from 30.5 percent to 33.8 percent. The government has promised that the public sector will not take over more than 16 percent of the nation's industrial production and that there will be "no creeping nationalization" over the current five-year legislative term.⁶

Alluding to the threat of multinational corporations and credit, Mitterrand claims that nationalization will prevent French industry from falling under foreign control.⁷ Trying to counter the claims that nationalization inevitably means centralization and more bureaucracy, the government insists that the nationalized industries will be (or will remain) scattered in various regions. This will foster the advance of democracy in two ways: through labor's increasing involvement in plant management and strengthened unions, and through worker and management participation in the political life of regional assemblies.

A major and innovative reform of the Mitterrand

government has been the restoration of regional autonomy. The decentralization law "covering the rights and liberties of communes, departments and regions" will reverse the long accrual of power to Paris. Instead of allowing Parisian appointees to govern the localities, locally elected councils and presidents will disperse funds for urban renewal, housing, roads, job training, employment, social welfare, environment, recreation and culture. This revolutionary measure will undoubtedly create some difficulties; local and regional politics will assume independent lives that may not always be in accord with Paris. With legislation to prevent the holding of multiple offices—a practice that has created the local "notables"—this reform may go far in reducing the heavy influence of France's centralized government and its bureaucracies.

Yet another ambitious plan unveiled in June, 1982, is the plan for the development of French science and technology. The government has allocated an increase of 17.8 percent in funds for research and development over a five-year period in an effort to make France the world's third leading scientific power (after the United States and Japan). The plan calls for the continued expansion of France's nuclear energy program, which will supply one-third of the nation's electricity by 1985. This program also includes research in the fields of biotechnologies, electronics, robotics and the improvement of working conditions.

Under the radical Jean-Pierre Chevènement, Minister of Technology, the program has ideological overtones. The "democratization" of science will be furthered through the participation of the general public in the administration of research centers which, along with the industries, will be located in various regions. French, rather than German or English, will be the exclusive language used at the National Center for Scientific Research, in an effort to prevent the estrangement of the general public from the scientific community.⁸

Like General Charles de Gaulle, Mitterrand wants France to be strong and independent; he goes beyond de Gaulle (and his commitment to *la civilisation française*) in his hope that the ideals of the Enlightenment and the Revolution will liberate and ennoble the human condition.⁹ But despite his emphasis on idealism, Mitterrand is a realist, especially with regard to East-West rivalry and the Soviet military threat. He denounced the Soviet invasion of Afghanistan and the imposition of martial law in Poland and was highly critical of President Valéry Giscard d'Estaing's May, 1980, visit to the Soviet Union shortly after the Afghanistan invasion. Adamantly opposed to the Communists at home, Giscard was nonetheless regarded as soft toward the Soviet Union, while Mitterrand, allied to the domestic Communists, has maintained a hard line with regard to Soviet expansionism.

Thus Mitterrand has devoted 3.9 percent of

⁶François Mitterrand, address of December 9, 1981. *Documents from France* (82/35), French Embassy Press and Information Division, n.d., p. 11; Paul Hainsworth, "France under Mitterrand: Domestic Problems," *The World Today*, June, 1982, pp. 215-231.

⁷François Mitterrand, press conference of September 24, 1981. *Documents from France* (81/80), French Embassy Press and Information Division, n.d., p. 1.

⁸Walter Sullivan, "Seeking Technological Gains: The French Socialize Science," *The New York Times*, August 15, 1982, p. 8E; *Europe*, no. 232 (July-August 1982), pp. 41-42.

⁹Dominique Moisi, "Mitterrand's Foreign Policy: The Limits of Continuity," *Foreign Affairs*, vol. 60 (winter 1981-1982), pp. 347-357; *Europe*, no. 230 (March-April, 1982), p. 41.

France's gross national product (GNP) to the defense budget, has approved the addition of a seventh nuclear submarine and has dropped the plan to cut military service from twelve to six months. Despite many differences with the United States, Mitterrand has steadfastly supported the United States plan to strengthen missile defenses in Europe.

Although he agrees with the United States on the nature of the Soviet threat, however, Mitterrand is a consistent critic of American "economic imperialism" and blames high United States interest rates for Europe's economic ills. France has also defied the United States embargo on technology and equipment for the Soviet natural gas pipeline.

The Mitterrand government is a more cooperative member of the European Economic Community (EEC) than its predecessors. The government's concern for the workers of rural and regional France has fostered a view of the EEC as an enlarged community of workers' solidarity.¹⁰ But while the Socialist government is expected to be supportive of the Community, this support may be more moral than actual. In keeping with the spirit of French continuity, the government recently moved to protect French agricultural interests by blocking the admission of Spain and Portugal to the EEC.

In dealing with the Middle East, Mitterrand is trying to strike a balance. On March 3-4, 1982, he became the first French President ever to visit Israel. But in his address to the Knesset, Mitterrand made favorable references to the Palestinians and the Saudi peace initiative, which Israel had rejected. Mitterrand's policy of balance is literal. And despite heated exchanges between Israeli Prime Minister Menachem Begin and Mitterrand over French anti-Semitism, an even-handed policy will probably continue to characterize France's approach to the Middle East.

THE NORTH-SOUTH AXIS

But it is in dealing with other nations of the third world that Mitterrand hopes France will have the greatest impact. In Mitterrand's eyes, the world's real problems lie along a North-South (industrialized-nonindustrialized) axis rather than the East-West axis that preoccupies the United States. France has been active in sponsoring North-South conferences and Cheysson has recently unwrapped a plan for a "planetary New Deal,"¹¹ in which the industrial nations would increase their aid to third world nations by \$10

billion in order to try to raise the third world's average gross national product from .4 percent to .6 percent. In support of this project, Mitterrand announced that France, already devoting one-fourth of its trade to third world, will raise its support to third world nations significantly by 1985.

Nonetheless, in Africa, France's condemnations of South Africa have not blocked French imports of South African coal, and in Chad, the breakdown of the fragile Libyan truce may reactivate French forces. The indiscriminate export of French arms will continue to create tension among France's allies, particularly the United States. In justifying France's brisk and indiscriminate arms sales (France counts Libya and junta-ruled Argentina among its customers), Mitterrand is anything but the revolutionary; although France's economic dependence on the arms trade is regrettable, Mitterrand says, France must honor prior business deals and employ French workers.¹²

The presence of Régis Debray, a former ally of Cuban guerrilla Che Guevara's, as Mitterrand's third world adviser, has also caused concern in Washington. France's claims of a special relationship of *Latinité* with Latin America and its support of revolutionaries in El Salvador and Nicaragua have aggravated Franco-American differences. Unlike the United States, Socialist France regards third world revolutions as necessary and beneficial. The French maintain that, in playing a mentor role—and supplying arms—for these revolutions, they prevent these nations from turning to the Soviet Union for support.

In large part because of the poor performance of the economy, the opposition parties have recovered from their defeats of 1981. Both the RPR and, to a lesser extent, the UDF (*Union pour la Démocratie Française*) have made gains. In addition to the January by-elections, when the RPR took four Assembly seats from the Left, the cantonal elections in March saw the Left winning less than 50 percent of the seats. Unless there are significant improvements in the unemployment and inflation rates, the defection of middle class suburban voters can be expected to continue in the March, 1983, municipal elections.

As Mitterrand falls under increasing criticism—a mid-summer poll showed 50 percent of those polled dissatisfied with his performance—old names and faces are reappearing. Alain Peyrefitte, former Minister of Justice, was among the winners in the January,

(Continued on page 434)

¹⁰Joy Bound and Kevin Featherstone, "The French Left and the European Community," in Bell, *Contemporary French Political Parties*, pp. 165-190; Moïsi, *op. cit.*, p. 356; *The Economist*, July 3-9, 1982, p. 14.

¹¹Henri Pierre, "Mitterrand's Foreign Policy: Mostly Plus Ça Change," *Europe*, no. 230 (March-April, 1982), pp. 41-43; Waites, *op. cit.*, p. 225.

¹²Interview with David Brinkley, "This Week," ABC television, May 23, 1982.

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"Given Greece's strategic significance, it is in the interest of the United States and NATO that Greece maintain its pragmatic foreign policy. However, PASOK will need some tangible evidence of success in its foreign policy, and this will be possible only if Greece's Western allies are willing to meet PASOK halfway."

Ideology and Pragmatism in Greek Foreign Policy

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ANDREAS Papandreou, who became Prime Minister of Greece in October, 1981, is not a newcomer to the Greek political scene; his party, the Panhellenic Socialist Movement (PASOK), was established on September 3, 1974, after the restoration of democracy in Greece.¹ The party's foreign policy positions, articulated by its charismatic leader, must be traced to PASOK's origins in PAK,² a radical underground anti-junist movement, and to Papandreou's personal political experiences. The dramatic political, social and economic changes of the preceding two decades in Greece and growing popular disillusionment with the performance of the ruling New Democracy party led to PASOK's rallying cry of *Allaghi*, "change," and contributed to its meteoric rise to power.³

According to PASOK's ideology, Greece is an economically underdeveloped state on the capitalist periphery, economically, politically and militarily dependent on the West. Postwar political developments in Greece, like the 1967 military takeover and the 1974 invasion of Cyprus, are attributed to the American penetration of the country. Consequently, the conservative governments that have led Greece since the end of the war have pursued a "mono-dimensional

and one-sided policy of dependence"⁴ that led to continuous concessions, policy ambivalence and sacrifice of sovereign rights, and brought issues vital to Greek interests into deadlock. The conservatives placed "blind trust in our great allies . . ."; adopted that "great obsession . . . the policy . . . we belong to the West . . ."; and neglected the fact that Greece is not only a European but also a Balkan and a Mediterranean country. This is why the country "fell prey to Western plans and wishes devoid of friends in every respect. . . ."⁵

However, Greece could establish its national independence through a multidimensional foreign policy, along the path of nonalignment, and this is what PASOK pledged to do. Party policy, actions and pronouncements are therefore guided by the broad principles set out in the party platform: "national independence, popular sovereignty, social liberation and socialist transformation, equality, democracy, peaceful coexistence, respect for the country's territorial integrity, non-interference, and a multidimensional foreign policy"⁶

The *Megali Allaghi* (the great change) promised by PASOK is based not only on the principles and methodology of Marxism, but also on the rejection of Leninism and its application in East Europe and the Soviet Union. In the field of foreign affairs, PASOK is critical of Soviet policies; but its views about the United States are less clear. In its ideological pronouncements, PASOK resembles more its third world counterparts than the typical Eurosocialist party. However, a shift toward more flexible and pragmatic foreign policy positions became evident as PASOK came closer to the reality of assuming power in the months before the 1981 elections, and this tendency has continued during the first year of socialist rule in Greece. The image of a party ready to provide "responsible government" had already emerged in the 1977 electoral campaign. This reflected the understanding that the road to political power in Greece led through the center of the political spectrum. There, the preference for third world and "neutralist" alternatives did not appear strong, nor was there support for foreign adventures.

¹For a critical analysis of PASOK see Angelos Elefantis, "PASOK and the Elections of 1977: The Rise of the Populist Movement," in Howard R. Penniman, *Greece at the Polls—The National Elections of 1974 and 1977* (Washington and London: American Enterprise Institute, 1981), pp. 105-129.

²The Panhellenic Liberation Movement. It functioned in Greece and abroad during the 1967-74 military dictatorship.

³In the 1974 elections PASOK received 13.6 percent of the vote and 12 of the 300 Parliamentary seats. In the 1977 elections, PASOK ran second with 25.3 percent of the vote and 95 seats. It won the October 18, 1981, elections with 48.06 percent of the vote and 172 seats.

⁴PASOK, *Diakirysi Kyvernitikis Politikis—Symvolaio Me To Lao* [Proclamation of Government Policy—Contrast with the People] (Athens: n.p., 1981), p. 31 (hereafter cited as *Platform*).

⁵Papandreou's speech in Parliament, May 20, 1977. Reprinted in PASOK, International Relations Committee, *Foreign Policy*, Series D, Publication no. 2, September, 1977, p. 6.

⁶*Platform*, p. 14.



GREECE AND ITS NEIGHBORS

Such pragmatic foreign policy adjustments are not confined to the Greek political scene,⁷ but in the particular case of PASOK they create two dilemmas. In the tradition of Greek politics, PASOK's membership cuts across social classes; therefore the party's social base provides certain foreign policy constraints, such as how to reconcile the party's platform with the needs and expectations of the pragmatic voters and party members and those of the ideological (i.e., Marxist-Socialist) wing of the party.⁸ This diversity could create strains that may undermine PASOK's ability to govern. The other dilemma is how to avoid creating misperceptions, particularly in the international arena, as to the reality of PASOK's intentions.

In addition to the requirements of Greek domestic politics, PASOK's foreign policy pragmatism has other causes. The complexity of the international system and Greece's place therein dictate the avoidance of unilateral actions; instead, patient exploratory moves are necessary to contribute toward the attainment of PASOK's foreign policy objectives, instead of leading Greece toward adventures or unwanted confrontations that would inevitably undermine PASOK's government. Greece's geographic location vis-à-vis Europe and the Middle East, the problems existing in the Middle East, unresolved Greco-Turkish differences, and Soviet attitudes toward these problems influenced government policy toward NATO (the North Atlantic

Treaty Organization) and the United States. If Greece immediately withdrew from NATO and closed down the United States military facilities, then NATO and the United States would tilt toward Turkey, given their strategic needs.

Some observers regard the Greek armed forces as another constraint on Papandreou's policy toward NATO.⁹ Although the Greek military are staunchly nationalistic and pro-Western, their influence may be limited by their blemished domestic and foreign policy record during the 1974 military dictatorship. They share the commonly held perception that the United States and NATO favor Turkey. Therefore, as long as the Turkish threat remains and Papandreou continues to advocate the interests of the military, it is highly unlikely that the military will seriously limit PASOK's ability to conduct foreign policy.

Papandreou has made a clear choice of policy priorities. The condition of the Greek economy required his government's immediate attention and his handling of the economy will probably determine PASOK's success or failure. In contrast, foreign policy can be given a secondary place in the government's priorities, in the absence of any immediate crises affecting Greece. However, the state of the Greek economy can also affect Greek foreign policy in a number of important areas. One is Greek membership in the European Community. The second relates to the expansion of the Greek defense industry, an objective complementing Greece's quest for an independent foreign policy. The question of the technical and financial assistance required for such expansion is an issue in the negotiations on the future of United States military facilities in Greece. Third, an autonomous defense industry and the strengthening of the armed forces are goals requiring high levels of spending.¹⁰

Several of his critics have attributed Papandreou's

⁷Robert E. Osgood, "The Revitalization of Containment," in William P. Bundy ed., *American and the World—1981* (New York, Oxford, Toronto: Pergamon Press, 1982), p. 466.

⁸For discussion of PASOK's social base see Angelos Elefantis, *op. cit.*, pp. 116-122.

⁹P. J. Vatikiotis, "Present Day Greece," Montague Burton Chair Lecture, delivered at the University of Edinburgh, November 2, 1981, p. 8.

¹⁰In 1979 an estimated \$2 billion, or 25 percent of the budget was devoted to defense.

pragmatic refinement of PASOK's policies to his personal opportunism and his quest for power.¹¹ Attributing PASOK's platform and ideology to electoral demagoguery is not only simplistic, however; it is dangerous, because it can lead to misperceptions on the part of Greece's allies. The view that nothing has really changed in Greece, that PASOK effectively manipulated a naive voting public, and that the West can continue "business as usual" with Greece is a distortion of Greek political reality that is likely to lead to an inevitable confrontation between Greece and its Western allies. In such a case, PASOK will have to prove its independence by some dynamic, substantive and unilateral action required by domestic and internal party pressures. Like any other party in a democratic society, PASOK interacts with and is accountable to the public. Papandreou's charismatic leadership would not be possible without the dramatic political and socioeconomic changes in Greece that gave rise to the diverse political movement called PASOK. However, Papandreou now dominates his party. He is an effective politician, familiar with the workings of the American system, a socialist, a realist and, above all, a nationalist. He has a program and is committed to pursuing it. The 1981 elections gave him the mandate to do so.

Unfortunately, Papandreou's realism could lead to misperceptions of "business as usual" among Greece's allies. There is a similar danger if the "devil" and "threat to the West" image of PASOK (deriving from a literal interpretation of its ideology) prevails, particularly in the United States. Such a view could give rise to destabilization attempts which would probably strengthen PASOK extremists, help consolidate PASOK's supporters, and broaden its political base by appealing to the nationalism of the Greek public. Among these two extremes lie the opportunity and challenge of reconciling Western and Greek foreign policy and national security objectives.

PASOK's ultimate vision continues to be the dissolution of all cold war military blocs, including NATO

and the Warsaw Pact. NATO, regarded as an extension of American cold war policy, has been criticized for subverting Greek sovereignty, undermining Greek national interests, failing to guarantee the Greek frontiers against Turkey's threat, and supporting the establishment of the military dictatorship in Greece in 1967 and the 1974 invasion of Cyprus. For these reasons PASOK has maintained that it is not in the Greek interest to belong to such an alliance.¹²

The emergence of a more flexible position on NATO became apparent not only in the party platform, but also in Papandreou's post-election interviews and the programmatic proposals presented to Parliament on November 22, 1981.¹³ It was clearly stated that his government would not take any unilateral steps on the issue of its membership in NATO, although it had a political mandate to do so. It was also indicated that a limited working relationship with NATO could be developed if, as a purely defensive alliance, it contributed to the defense of independence and territorial integrity, avoided pressures and blackmail, and operated on the basis of equality and respect. However, the future of Greece's continued membership in NATO will be tested in the practical application of these conditions. Papandreou has maintained his preelectoral categorical position that NATO must guarantee Greece's frontiers from the Turkish threat instead of insisting on a deployment of forces against a hypothetical threat from the Warsaw Pact. Further, portions of the "Rogers Agreement,"* under which Greece returned to NATO's military wing on October 20, 1980, continue to remain in abeyance and could be considered as having been effectively abrogated, because they undermined Greek operational control in the Aegean Sea.

In 1981-1982, the issue of Greek participation in NATO has been discussed by Greek officials in various NATO meetings and in visits of NATO officials to Athens.¹⁴ The secrecy that characterizes these talks makes difficult any assessment of their progress. Greece has continued to participate in alliance activities, so long as they did not establish precedents prejudicial to Greek rights in the Aegean region and did not modify existing command structures. And despite PASOK's opposition to the presence or the extension of antagonistic politico-military blocs, the government did not block Spain's entry into NATO, because this was "the wish of the Spanish people."

The Greek Socialists had the opportunity to display their "new, proud and independent foreign policy" when they prevented the NATO Defense Ministers from issuing their customary communiqué following their December 9, 1981, Brussels meeting. Papandreou, who also serves as Greek Defense Minister, justified this symbolic act on the grounds that NATO refused to offer satisfactory guarantees against Turkey's threat, the reality of which he had tried to explain

*An agreement negotiated by Supreme Allied Commander Europe General Bernard Rogers, with Greek and Turkish authorities.

¹¹Nicholas Gage, "The Paradoxical Papandreou," *The New York Times Magazine*, March 21, 1982, pp. 42-45, 74-84.

¹²"General Issues Concerning the Nation," speech by Andreas Papandreou at the Greek Parliament, June 12, 1976, reprinted in PASOK, International Relations Committee, *Foreign Policy*, Series D, Publication no. 1, p. 17.

¹³*Platform*, pp. 31-32; Republic of Greece, General Directorate of Press and Information, *Hoi Programmatikes Deloseis teskyvernisis Kai he Syzitisi Sten Vouli [the Government's Programmatic Proposals and the Parliamentary Discussion]* (Athens: General Directorate of Press and Information, 1981), pp. 13-14; *Issues and Answers*, Sunday, October 25, 1981.

¹⁴With Secretary of Defense Casper W. Weinberger, December 7, 1981, in Brussels; with NATO Supreme Allied Commander (Saceur) Bernard Rogers in Athens on June 3, 1982; etc.

to his colleagues. NATO Secretary General M. A. H. Luns described this veto, the first ever in NATO's history, as "unprecedented," designed mostly for Greek domestic politics, and hurting NATO's public image more than its functioning. However, the Greek Prime Minister saw his action as consistent with Greek national interests, enhancing Greek prestige and long-term interests.

RELATIONS WITH THE UNITED STATES

Over the postwar period in Greece, a public consensus has been critical of the American influence on Greek politics and foreign policy. Since 1974, PASOK has been able to articulate this consensus more effectively than any other non-Communist Greek political party; thus the party has been considered "anti-American." Official statements have described the United States bases in Greece and the visits of the United States 6th Fleet as "occupying forces," and have attributed to the United States and NATO the imposition of the military dictatorship in Greece, the Turkish invasion of Cyprus, and the Turkish threat in the Aegean.¹⁵ PASOK regarded the military facilities and nuclear weapons maintained in Greece by the United States as a danger to Greece in the event of a world war; they limited the conduct of an independent Greek foreign policy, and could be used against Greece in the event of a Greco-Turkish conflict.¹⁶

PASOK maintains that nuclear weapons must not be stationed in Greece. However, pragmatism and flexibility characterize the handling of the subject of American military facilities. Greece has assured the United States that it will not act unilaterally and that the removal of the bases will occur gradually.¹⁷ During this transition the bases may continue to operate if they do not conflict with Greek foreign policy objectives. Further, the suggestions as to how Greek interests may be protected indicate that this issue is negotiable.¹⁸ Following a number of preliminary contacts between Greek and American officials and the visit by Secretary of State Alexander M. Haig Jr. to Athens on May 15, 1982, the negotiations at the level of experts are expected to open sometime in the fall of 1982.

¹⁵"General Issues Concerning the Nation," *op. cit.*, p. 18.

¹⁶It is feared that the Nea Makri electronic telecommunications facilities would be used to destroy vital Greek communications.

¹⁷*Platform*, pp. 32-33; *Programmatic Proposals*, p. 14.

¹⁸Annual review of their operations; the right of Greece to renounce the accord, etc.

¹⁹PASOK, Editorial Committee, *PASOK Positions*, Series E, Publication no. 2, 1978, p. 29.

²⁰C. Karamanlis, who is also the architect of Greece's EEC membership.

²¹The Foreign Undersecretary on EEC relations, Mr. Gregory Varfis, described the relationship as one of "permanent and continuous negotiation." Athens News Agency, March 23, 1982.

The appointment of a new United States Ambassador from the career service, familiar from his earlier service in Greece with the Greek Prime Minister and the politics of Greece, also contributed to the "cautious optimism" expressed in Athens about the prospects for Greek-American relations.

RELATIONS WITH THE EUROPEAN COMMUNITY

PASOK's theoretical position on the European Economic Community (EEC) derives from its view of Greece on the capitalist periphery, a dependent and marginal area of global capitalism. Initially, PASOK's position on EEC membership was "no."¹⁹ It held that the "common market of monopoly capital" ensured that participating southern European countries would remain dependencies, by transferring sovereign decisions on economic policy to "foreign centers," creating new economic hardships and enhancing existing difficulties. Judging by the Norwegian, Swedish, and Yugoslav experience, however, Greece could have maintained economic relations with the Community without membership, under a special status agreement that would allow for economic planning, regulation of foreign commerce and capital movement.

Since Greece had nonetheless become the tenth member of the EEC, PASOK introduced the idea that a referendum should be held to determine the country's continuing membership. However, under the current constitution, the holding of a referendum is the prerogative of the President of the Republic;²⁰ this shifted the political consequences to another power center. The first year of PASOK's rule has therefore been marked by active participation in and contribution to EEC affairs.²¹ On many occasions, Greece has presented its views on the hardship membership brought to its economy and the need for adjustments in Community policy, especially in the areas of agriculture and the budget. A formal memorandum on the issue of Greek membership was submitted to the President of the Committee of Ministers and to the President of the Commission on March 23, 1982, and is currently under study. Thus diplomacy has replaced the talk of a referendum and the quest for a special status agreement. It is highly unlikely that Papandreou will seek a constitutional showdown with the President over the referendum issue at this time. But the issue may be revived in the future if no tangible economic benefits are evident from the Greek membership in the EEC, or if PASOK cannot show even a minimum improvement in the terms of Greek membership. The President's term expires six months before that of the current Parliament and it is that PASOK-dominated body that will elect the next President of Greece.

RELATIONS WITH TURKEY

PASOK's nationalism has been evident in discussions about Turkey and has wide public support. De-

fining Turkey's long-term objectives as expansionist and charging that Turkey seeks "shared sovereignty or the partition of the Aegean," PASOK argues that, for strategic reasons, Turkey's actions are "machinated by our great allied country . . . the United States, with the tolerance, if not the complicity of the Soviet Union."²² Relying on military provocations and the threat of armed confrontation (from which the allies are unwilling to protect Greece), Turkey seeks concessions at the negotiating table affecting vital Greek rights. PASOK maintains that these rights are non-negotiable, that peace in the Aegean cannot be safeguarded by concessions to Turkish expansionism, and that a dialogue with Turkey is possible only on issues other than vital sovereign rights and only after Turkey ceases all provocative acts. PASOK also advocates the extension of Greek territorial waters to 12 miles, despite Turkey's threat that such an action would constitute an act of war. It opposes any Turkish attempt to carry out research on the Greek continental shelf or otherwise to violate Greek rights.

PASOK has not wavered from these positions since the election, although its rhetoric and tactics show considerable moderation. Papandreou avoided unilateral actions, like the extension of Greek territorial waters. In various international forums, the government has outlined the threat Turkey poses against Greece and Cyprus, and has asked, unsuccessfully so far, for allied guarantees against this threat. Turkish aircraft violated Greek airspace repeatedly in 1981-1982; the Greek response was limited to interceptions of the overflights and to warnings. Repeatedly stating that Greece has no claim against Turkey, Papandreou has offered an olive branch to the Turks so that both peoples can work toward their mutual benefit instead of risking confrontation and incurring unnecessary military expenditures.

After a Greek initiative at the June, 1982, NATO meeting in Bonn, talks were initiated between Greece and Turkey, and a moratorium was signed in Athens on July 22, 1982. Both governments agreed that for a period of months they would abstain from all provocative statements and actions so that talks could be reopened on the outstanding issues. Papandreou hastened to note that the moratorium did not imply a change in the Greek position on Greco-Turkish differences, and implied that in contrast to his predecessors, he would not sacrifice Greek rights.

THE CYPRUS PROBLEM

PASOK has accused NATO and the United States

²²Papandreou's speech in Parliament, May 20, 1977, reprinted in PASOK, International Relations Committee, *Foreign Policy*, Series D, Publication no. 2, September, 1977, p. 6.

²³Speech in Parliament by Andreas Papandreou, February 10, 1975; reprinted in PASOK, International Relations Committee, *Foreign Policy*, Series D, Publication no. 1, p. 2.

of complicity in the 1974 Turkish invasion of Cyprus; it charges that they have been seeking to partition the island since the intercommunal troubles began in 1963, in order to transform it into an "advanced post for the promotion of [their] imperialist plans."²³ According to Greek leaders, the Cyprus problem can be resolved only by the implementation of the relevant United Nations resolutions on Cyprus, which provide for the withdrawal of all foreign forces, the guarantee of freedom of movement to all Cypriots, the return of the refugees to their homes, and the unity, sovereignty and territorial integrity of Cyprus. The resolution of this problem is a priority of PASOK's foreign policy. PASOK has been emphatic in rejecting any solution imposed by force; it refuses to "de-internationalize" the problem, as the conservatives did, by agreeing to talks with Turkey, or by allowing NATO to act as mediator.

Papandreou was the first Greek Prime Minister to visit Cyprus. Since his election, he has met regularly with the President of Cyprus for the purpose of coordinating policy and avoiding the strain and suspicion that marked the relations of the two countries in the past. The Cypriots welcomed the renewed Greek commitment to their cause, but it became apparent in the late spring of 1982 that differences existed between Athens and Nicosia over diplomatic tactics. The Greek government has emphasized the possibility of internationalization and has offered to cover the expenses of an expanded United Nations peacekeeping presence on Cyprus in order to bring about the demilitarization of the island and the withdrawal of all foreign forces. Although the ongoing intercommunal talks, under United Nations auspices, may help determine the constitutional structure of the republic, Papandreou remains skeptical of their outcome as long as the Turkish army remains in Cyprus.

However, the Cypriot government, mostly for domestic political reasons, supports the continuation of the inconclusive intercommunal talks. The Cypriot Communist party (AKEL), which often reflects Soviet policy, supports this policy. It is the largest Cypriot political party and the coalition partner of DEKO (the party of the President of Cyprus) for the 1983 presidential elections. Both sides have attempted to play down their differences, which are likely to reappear as time draws near for the 1982 Session of the UN General Assembly. One of PASOK's preelectoral promises was to "open the file on Cyprus" (the secret file on the 1974 Greek coup on Cyprus and the Turkish invasion). Given the politically sensitive nature of this file, previous Greek governments, with Papandreou's tacit consent, had not opened this file. On the eighth anniversary of the 1974 coup it was announced in Athens that an interparty committee would be established in the Greek Parliament to examine this delicate subject.

Though previous Greek governments had recog-

nized the economic and political significance of the Arab world, none undertook the expansion of Greece's relations in this region with the commitment displayed by PASOK. Party ideology clearly influenced the decision announced five days after the election to invite Palestine Liberation Organization (PLO) leader Yasir Arafat to visit Athens. The visit, Arafat's first to a European Community member and his third to a NATO country, took place two months later. In the process, the PLO Information Office in Athens was granted the status of a diplomatic mission with standing equal to that maintained by Israel. Colonel Muammar Qaddafi of Libya was also expected to visit Greece at the end of April, 1982, but his visit was postponed at the last minute. It is unclear whether Qaddafi's visit was postponed for security reasons, as was rumored in Athens, or because of American pressure. Papandreou's sharp condemnation of all recent unilateral Israeli actions, and especially Israel's actions in Lebanon, is consistent with PASOK's ideological stand. Greece offered humanitarian assistance to the Palestinians during the siege of West Beirut and accepted 200-300 injured Palestinian fighters for treatment in Greek hospitals as part of the PLO evacuation plan from the Lebanese capital.

Greece's outlook toward the Middle East is symbolic of its new independent foreign policy; the government seems to have embarked on a more pragmatic course in its Western military and economic alignments. But Greek Middle Eastern policy is likely to have a wider impact; it may influence the status of United States military facilities in Greece when the objectives of these facilities are determined and the needs of the Rapid Deployment Force are assessed.

Developments in Poland and the Western reaction to them provide additional evidence of PASOK's intention to chart a foreign policy independent from that of its Western allies and its conservative predecessors. Greece has supported the liberalization process in Poland and has condemned the imposition of martial law. But it has opposed the policy of sanctions, condemnation and other measures against the Soviet Union in the absence of a direct military intervention on the grounds that such actions would lead to an East-West confrontation, threaten world peace, undermine negotiations for arms reductions, and increase the hardship in Poland. It is difficult for Papandreou to chart a policy on Poland without contradicting the basic tenets of PASOK's ideology, or endangering increasingly valuable economic relations with the Eastern bloc, or angering Greece's Western allies. Papandreou has attempted to do so by disassociating Greece from the decision of the European

Community of January 4, 1982,²⁴ and by expressing reservations on NATO's "Declaration on Poland," rather than vetoing it.

The issue of nuclear weapons and arms control reflects and transcends PASOK's ideology, bringing the new Greek government closer to the West European antinuclear movement. Papandreou has been an outspoken opponent of nuclear weapons in Greece and an advocate of a Balkan nuclear-free zone. He has urged the United States and the U.S.S.R. to negotiate seriously on arms control and has characterized as "very positive" the nuclear freeze proposals made by Soviet President Leonid Brezhnev in the spring of 1982, even though most other NATO members, led by the United States, opposed them. The Greek government saw the Reagan "zero option" proposal as a welcome reversal of American policy. However, the Greeks believe that French and British nuclear forces must be considered in the equation of East-West arms reduction; this elicited loud protests from NATO and from England and France.

Caution, flexibility and pragmatism have characterized the first year of Greek Socialist foreign policy. Papandreou was able to build on the post-1974 foundations of Greek foreign policy and broaden its direction; symbolism rather than substantive change has been an essential component of PASOK's foreign policy. Through a more careful articulation of its foreign policy actions, PASOK was able to show the Greek public that it could protect Greek national interests better than its conservative predecessors. This appeased the PASOK ideologues and activists, who sought the immediate implementation of the more rigid preelectoral foreign policy goals and signaled the Greek public and the international community that Greek foreign policy had indeed changed.

Given Greece's strategic significance, it is in the interest of the United States and NATO that Greece maintain its pragmatic foreign policy. However, PASOK will need some tangible evidence of success in its foreign policy, and this will be possible only if Greece's Western allies are willing to meet PASOK halfway. In its search for an "independent and proud" foreign policy, Greece is not seeking isolation or confrontation. Some of its policies are belated expressions of the malaise affecting the Western alliance as a whole and the divergence that exists in the interests of the members. The first year of Greek Socialism shows that a *modus vivendi* is possible between PASOK, on the one hand, and the European Community, NATO, and the United States, on the other, if all sides remain flexible and pragmatic in their expectations and demands. ■

²⁴For the text of the EEC decision see *The New York Times*, January 5, 1982, p. 7. In the process, a Deputy Foreign Minister was also dismissed for failing to block a decision contradicting Greek objectives.

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BOOK REVIEWS

ON WEST EUROPE

NATIONALISM IN IRELAND. By *D.G. Boyce*. (Baltimore: Johns Hopkins University Press, 1982. 441 pages, notes, maps, bibliography and index, \$32.50.)
THE GOVERNMENT AND POLITICS OF IRELAND. 2d edition. By *Basil Chubb*. (Stanford: Stanford University Press, 1982. 396 pages, appendices, notes, bibliography and index, \$29.50.)

Ireland's tumultuous political past contrasts with the conservative, traditional nature of Irish society. Making sense of this contrast has led scholars to varied and inconclusive historical and political approaches. Boyce acknowledges that his approach is also inconclusive, an acknowledgment that allows him to offer an engaging study of the public debate on Ireland's political path. Tracing the history of Irish nationalism as it was expressed in pamphlets, speeches and literature, Boyce provides a general survey of the "complex and crowded landscape" of Irish nationalism. His book shows that the Irish have grounded their political ideals in a past that is a strong mixture of the mythical and the real.

Nor does Chubb's revised book on the Irish state draw definitive conclusions on its nature. His is an excellent introduction to Ireland's political institutions and processes, especially useful for its updated survey of the changes in Irish political attitudes since the 1960's and their impact on the government of the country. W.W.F.

GREECE IN THE 1940's: A NATION IN CRISIS.

Edited by John Iatrides. (Hanover, New Hampshire: University Press of New England, 1981. 444 pages, notes, and index, \$35.00.)

John Iatrides has selected contributions from a variety of scholars to show how Greece was transformed from a monarchy to a democracy. A paperbound bibliographic volume accompanies this study of a period of Greek history "that demands special attention" from the scholar. O.E.S.

EUROPE AFTER STALIN. By *W.W. Rostow*. (Austin, Texas: University of Texas Press, 1982. 206 pages, appendices and index, \$25.00, cloth; \$8.95, paper.)

W.W. Rostow writes an insider's account of the decisions made by the administration of United States President Dwight D. Eisenhower with regard to the possible reunification of Germany after the death of Joseph Stalin. O.E.S.

THE RADICAL LEFT IN BRITAIN, 1931-1941. By *James Jupp*. (London: Frank Cass & Co., Ltd., 1982.

261 pages, appendices, bibliography, notes and index, \$30.00.)

The author presents his "analysis of the politics of the Radical Left" in the British Labour movement during the 1930's, the "forerunners of the radicals of today." O.E.S.

THE GERMAN SOCIAL DEMOCRATS IN OPPOSITION, 1949-1960. By *Gordon D. Drummond*. (Norman, Oklahoma: The University of Oklahoma Press, 1982. 374 pages, bibliography, notes and index, \$27.50.)

Gordon Drummond details the reaction of the Social Democrats to the rearming of Germany and the other Western powers during the first 11 years of the Bonn Republic. O.E.S.

NATO AND THE ATLANTIC DEFENSE: PERCEPTIONS AND ILLUSIONS. By *Werner J. Feld and John K. Wildgen*. (New York: Praeger Publishers, 1982. 171 pages, notes, tables and index, \$19.95.)

This study draws on public opinion polls and comparative studies of United States media to document how the NATO alliance is perceived in the United States and West Europe. The study finds American perceptions of NATO to be "positive," and it documents the split in West European attitudes on the nature of the Soviet "challenge." The book provides useful background material for the current debate on NATO's purpose and strength. W.W.F.

EVERYMAN IN EUROPE. 2nd edition. VOL. I: THE PREINDUSTRIAL ERA. VOL. II: THE INDUSTRIAL CENTURIES. *Edited by Allan Mitchell and Istvan Deak*. (Englewood Cliffs: Prentice-Hall, Inc., 1981. Vol. I, 234 pages and bibliography; Vol. II, 218 pages and bibliography, \$9.95 each volume, paper.)

The editors have compiled an interesting anthology of the social history of Europe from the early Greeks to the present. O.E.S.

EUROPEAN SECURITY, NUCLEAR WEAPONS AND PUBLIC CONFIDENCE. *Edited By William Gutteridge*. (New York: St. Martin's Press, 1982. 236 pages, appendix and index, \$27.50.)

The issues of security and cooperation since the Helsinki and Belgrade conferences are examined, with special attention devoted to "new weapons technologies and the problems of the Arctic and the Baltic areas." Chibuzo Ogbuagu

University of Pennsylvania ■

WAR AND POLITICS IN BRITAIN

(Continued from page 411)

nied authority to press for concessions, including a sovereignty transfer with a lease-back to Britain, on the 1,800 adamant Falkland islanders. Had he been able to act more decisively, the Argentine invasion might have been averted. In the event, the government was taken by surprise, a development which caused the initial military reversal and led several senior foreign officers, including Foreign Secretary Lord Carrington, to resign.

The Prime Minister quickly established a formal government inquiry into the roots of the British mistake in believing the Argentines would not use force to take the islands. The lines of internal government conflict in London were drawn quickly and clearly. Angry M.P.'s determined to expose what they viewed as civil service bungling were opposed by Foreign Office professionals, who felt victimized and used as scapegoats by miscalculating politicians.

The decisive British military victory tended to mask the major hurdles involved in the effort to retake the islands. The 8,000-mile supply line necessary to fuel the attack force was a major problem. The geography of the islands, climate, and sea current all favored the armed defenders. British military capabilities were limited by years of budgetary strictures. Finally, there was uncertainty about the willingness of the British people to tolerate an extended war with lengthening casualty lists and about the capacity of the British to maintain the conflict.

In the event, Argentine weakness and lack of preparation combined with British military prowess overcame these difficulties. Victory came remarkably quickly. The war revealed the extraordinarily bad judgment of the Argentine leadership and the importance of a British military tradition.

The war also contributed to growing tensions between Britain and Ireland, exacerbating difficulties already increasing as a result of IRA (Irish Republican Army) terrorist bombings in London. Ireland's opposition to Britain's military effort in the Falklands was a major factor in Thatcher's statement (in response to a parliamentary question) that "no commitment exists to consult Dublin on matters relating to Northern Ireland." This appeared to repudiate an accord, reached in the summer of 1981 at the Anglo-Irish Council, to consult Dublin on a wide range of mutual interests in Northern Ireland, including security and the economy.

The Falklands War calls into question the basic military policy of the Thatcher government, but appar-

ently has not brought about any basic changes. The government, under the leadership of Defense Minister John Nott, has decided to rely on a force of four (down from an initially planned five) Trident submarines armed with nuclear missiles. These will follow the Polaris submarine force, recently modernized with the Chevaline program to enhance the effectiveness of missile warheads, and should guarantee the formal credibility of the British deterrent through the remainder of the century. The Americans are supplying vital submarines and warheads, underscoring the fact that the "special relationship" between the two old allies involves British dependence on United States good will. Perhaps this continuing close tie with the United States in direct military terms will assuage the bitterness of the British view that the administration of United States President Ronald Reagan was too neutral about the Falklands War, although one can also argue that continued British dependence will reinforce resentment.⁶

Buying Trident even with American help will necessitate sacrificing much of the existing British surface fleet capability, a move that events in the South Atlantic dramatically call into question. Given Britain's traditional preference for many military options, compelling clearer selection among naval force profiles may be a virtue. Nott remains adamant in his own basic policy course, and there is no indication so far that the Thatcher government is using the Falklands experience for a searching examination and critique of the wisdom of that policy.

There is no doubt, however, about the impact of the fortunes of the war on the standing of the Prime Minister and her party. The Tories have established a clear lead over both Labour and the Social Democratic/Liberal alliance in public opinion polls. In April, 1982, the Conservatives began to gain some support at the expense of Labour. By mid-year, however, with the surge in pro-Thatcher and pro-Tory sentiment, the government received about 45 percent in the polls, with Labour and the coalition each receiving less than 30 percent.⁷

Prime Minister Thatcher now has the freedom and flexibility to schedule the next general election with a good chance of victory—something that seemed clearly impossible only a few months ago. Recognizing strength, however, is not the same as predicting success. Much will depend upon the government's management of economic matters, which will become increasingly important as memories of the Falklands fighting wane. The Social Democratic/Liberal alliance may well gather momentum as normal political currents resurface. Whether they will be able to overcome the Tory lead is a separate question, and one which cannot be answered far in advance, given the volatility of contemporary British politics and political opinion. ■

⁶*Strategic Survey 1980-81* (London: International Institute for Strategic Studies), p. 23.

⁷"British Politics Group Newsletter," no. 29 (summer, 1982), pp. 3-8.

FRANCE

(Continued from page 425)

1982, by-elections, and Giscard d'Estaing won a cantonal council seat in March with 72 percent of the vote. The strongest political opponent to date, however, is the RPR leader, Jacques Chirac, who has maintained political visibility as Mayor of Paris.

An immediate problem for Mitterrand is the wave of terrorism, largely directed against Jews, that has taken 18 lives in 114 incidents since January. These events have brought angry charges about the extent of French anti-Semitism and the alleged laxity of government policies. While there are anti-Semitic militants (and a Rightist intelligentsia that lends them encouragement) in France, much of the terrorism can be attributed to France's lenient policy toward foreign political exiles.¹³ The Mitterrand government has taken steps to scrutinize and monitor "pseudo-diplomats," adding a Cabinet-level post to coordinate public security agencies, and reviving a 1936 law outlawing avowedly violent political groups.

After one year in office, François Mitterrand faces many problems. On the positive side, the government's support, including the PCF and the Communist-led CGT (*Confédération Générale du Travail*) is still intact, and economic adjustments may lead to improvements by the spring of 1983. Mitterrand's term runs six more years. While setbacks at local levels and in by-elections may diminish his authority, he is likely to retain the majority support of the National Assembly through 1986. But the two years of his term may witness a stand-off between the President and an opposition Parliament that would severely test the Fifth Republic.

Can the government convince French voters that the Socialist view of France has legitimacy and stability? Did the French electorate really vote in 1981 for the return of the revolutionary tradition? Have the Socialists a mandate to build a new France? After nearly 200 years of divisiveness, it is still not clear whether there will be a new formulation of *la France révolutionnaire*. ■

SPAIN'S POLITICAL FUTURE

(Continued from page 421)

itants support autonomy in one form or another, there is no clear-cut political majority. The Basque Nationalist party holds a plurality and heads the regional government in Vitoria, but it is challenged by strong left-nationalist forces (especially Herri Batasuna, associated with the ETA terrorists) as well as those affiliated with the four major Spanish parties.

The gains of the nationalist movement have been enormous in the political sense. The Basque economy, however, has suffered greatly from the stagflation of the post-Franco years. Ten years ago, the Basque provinces had the highest per capita income in Spain, but their aging industry has undergone little renovation, and they have lost that ranking. Euskadi, which relies almost exclusively on the Spanish market and Spanish energy, needs the rest of Spain even more than Spain needs Euskadi.

Even though both branches of ETA are engaged in terrorist campaigns, there is evidence of growing moderation in Euskadi. The Basque Nationalist party has taken an increasingly forthright stance in opposition to terrorism, and the proportion of inhabitants favoring independence for the region has steadily declined.

The Socialist victory in the elections of October, 1982, was not surprising. A coalition with the left-center or the Communists was not necessary; the 201 seats the party won in Congress, the legislative house of the Parliament, placed it firmly in power.

The first democratic Socialist government in Spanish history will face intractable problems. The Socialists have promised to avoid drastic economic changes, like the nationalization of industry, but they will try to promote expansion and greater employment, probably increasing inflation. Regional autonomists expect a more lenient administration and further concessions. The Socialists opposed entry into NATO but will probably avoid an immediate and radical reversal of Spanish policy in that area, though they may drag their feet on final negotiations for the practical incorporation of Spanish units. The struggle against terrorism will continue.

As for the ultimate question, whether the military will allow the Socialists to govern, the answer is probably yes. But any lurch to the left or the threat of a government breakdown may well bring another attempt at overt military intervention. Although a military initiative cannot succeed in the long run, short-term success should not be discounted. ■

DANISH POLITICS IN THE 1980's

(Continued from page 416)

The change of government in September, 1982, is unlikely to bring about any radical changes in either domestic or foreign policies. Many will point out that Poul Schluter is the country's first Conservative Prime Minister since parliamentary democracy was established in 1901. This would exaggerate his significance; the Conservatives have been directly or indirectly tied to every non-Socialist government for two generations. The resignation of Anker Jørgensen's Social Democratic government reflects the party's weak showing in the December, 1981, elections and the difficulty a party tied to the labor movement faces when it tries

(Continued on page 448)

¹³Jean-Pierre Apparu, *La Droite Aujourd'hui* (Paris: Albin Michel, 1979), pp. 192-194; Michalina Vaughan, "Nouvelle Droite: Culture, Power and Political Influence," in Bell, *Contemporary French Political Parties*, pp. 52-68; *The Economist*, August 21-27, 1982, pp. 37-38.

NATO'S CHALLENGES

(Continued from page 404)

spending efforts approaching the three percent goal.¹³

Of the political cleavages between allies, at first glance Greek-Turkish discord appears the most serious.* But even more serious for the long-term future of the alliance are the growing cleavages between the United States and West Europe as a whole on such basic issues as "out of area" questions, détente, arms control, and East-West relations. "Out of area" issues include all threats to the interests of NATO countries outside Europe; but the most significant disagreements concern the Middle East-Persian Gulf region.

War in Europe may well begin outside Europe, but NATO's defense planning neglects such contingencies. The Soviet Union can envision Europe and the Middle East-Persian Gulf region as a single interrelated geostrategic theater, but NATO refuses to extend its area of responsibility to a wider geographic framework. Nor could NATO be expected to respond in Europe to Soviet aggression in the Middle East-Persian Gulf area.

The Soviet-West European natural gas pipeline deal dramatizes more immediately pressing United States-West European disagreements about how to deal with the Soviet Union. The United States opposes the pipeline for two main reasons. It regards the pipeline as a notable subsidy to the Soviet economy; it is a low-cost and low-risk Soviet venture in that participating West European governments (including Britain, France, West Germany and Italy) are reportedly providing approximately \$5 billion in credits at non-commercial rates (an average of about 8 percent vis-à-vis commercial rates of 15 percent) to help defray the total cost. The U.S.S.R. will acquire additional Western oil and gas extraction technology, and the completed pipeline will provide the U.S.S.R. with means to acquire a large and steady supply of hard currency.

Second, the Reagan administration believes that Soviet leaders will gain another instrument of leverage over West Europe. West European supporters of the pipeline argue that the Soviets have been dependable business partners for many years and that an average dependence on the U.S.S.R. for 30 percent of their natural gas needs will equal only 5 percent of their total energy consumption. United States critics respond that the Soviets will not even have to threaten to interrupt the flow of gas in order to profit from a

psychological situation of West European dependence. West Europeans tend to believe that the United States aggravated division in the alliance through what they see as unilateralism (failure to consult adequately before imposing the embargo), inconsistencies (e.g., raising the Polish situation as an anti-pipeline argument), and hypocritically self-serving behavior (continued United States grain sales to the U.S.S.R.).

The pipeline crisis itself does not threaten NATO's survival and can be seen as less serious than earlier alliance crises, such as Suez (1956), the French withdrawal from NATO (1966), the Yom Kippur War (1973), and Afghanistan (1979). Although scenarios of escalating rhetoric and intemperate behavior can be imagined, it remains in the sober national interest of all the allies to preserve NATO. NATO's stability is founded on the absence, for the foreseeable future, of any credible alternative security structure for West Europe. Given the geopolitical structure of the alliance, including West European dependence on a nuclear guarantor across the Atlantic, a certain permanent tension within the alliance is normal. From this perspective, the pipeline affair appears as one in a series of ephemeral crises, artificially magnified by transitory political moods in the United States and West Europe.

The deeper meaning of the pipeline crisis, however, may well lie in its long-term implications; the pipeline constitutes a Soviet-West European economic transaction of unprecedented dimensions, the largest so far in a series that promises to expand. The Soviet and East European debt to the West now totals over \$87 billion. While West Europeans have practical justifications for increasing trade with the Soviet Union (diversification of energy supplies, maintaining employment and export earnings and so forth), some Americans wonder if West Europeans are primarily motivated by a vision of "regional détente."

West Europeans reinforce this perception by rejecting United States proposals for more cautious trade policies as "economic warfare" that would be "counterproductive" and harmful to détente. Sanctions cannot influence Soviet behavior in a specific and constructive fashion, the West Europeans frequently argue; they maintain that expanded trade contributes to a mutual East-West perception of living in peace with reduced tensions. West European governments spurn United States suggestions to diminish certain links with the East because they regard détente and improved East-West trade as long-term security measures complementary to the United States security guarantee embodied in NATO. Similarly, West Europeans often deplore what they see as an excessive United States preoccupation with confrontation and military requirements that feeds anxieties in West Europe and the U.S.S.R., possibly making war more likely and undermining prospects for arms control agreements.

*For further discussion, see the article in this issue by Van Coufoudakis, "Ideology and Pragmatism in Greek Foreign Policy."

¹³Some allies have been more successful in this effort than others, of course. Perhaps the most authoritative discussions of "burden-sharing" efforts are found in such official reports as Caspar W. Weinberger, *Report on Allied Commitments to Defense Spending* (Washington, D.C.: Department of Defense, March, 1981).

West European governments generally cannot adopt the Reagan administration's preferences for political consistency because of their deep investment in the continuation of détente, together with their hope that—given enough time—Warsaw Pact political attitudes will evolve in a positive fashion. The Soviet phrase “the irreversibility of détente” has thus assumed a new meaning.

The pipeline issue has temporarily overshadowed major United States-West European differences regarding arms control. Although some West European strategists criticized the seriously flawed SALT II (the second Strategic Arms Limitation Treaty) package, the majority of West Europeans favored ratification of SALT II and deplored the hiatus in strategic arms control negotiations between the signing of SALT II in June, 1979, and the initiation of the Strategic Arms Reduction Talks (START) in June, 1982. This area of United States policy seems confused to West Europeans, with the Reagan administration calling SALT II “fatally flawed” but worthy of *de facto* observance.

The negotiations on intermediate-range nuclear forces (INF), which stem from NATO's INF modernization decision of December, 1979, may lead to more serious United States-West European discord. Unlike the U.S.S.R., which has never offered to negotiate about nuclear delivery systems before deploying them (and indeed continues to deploy SS-20's and other INF during the current negotiations), NATO decided on a two-track approach. During 1983-1988, NATO plans to deploy 572 intermediate-range nuclear forces (108 Pershing II ballistic missiles and 464 ground-launched cruise missiles) if the INF negotiations do not succeed in eliminating the need to deploy them.

Serious public opposition to NATO's INF deployment plans has been encouraged by the West European “peace movement” as well as by Soviet propaganda. It would be convenient for the five key NATO governments scheduled to accept the INF (West Germany, Britain, Belgium, Italy and the Netherlands) if the negotiations in Geneva concluded with an agreement making NATO deployments unnecessary. This result is not likely in the next year, because the United States and the U.S.S.R. have not even agreed on what forces are under discussion. The United States position, outlined in President Reagan's speech of November 18, 1981, calls for a “zero option”—no Pershing II's or ground-launched cruise missiles if the Soviet Union dismantles its SS-4's, SS-5's, and SS-20's. In contrast, the Soviet government wants to count “forward-based systems” (mostly United States aircraft in Eu-

rope, including those at sea on aircraft carriers) and British and French nuclear forces in the negotiations.

Because deployments of the NATO INF are scheduled to begin in December 1983, the coming year offers the prospect of serious challenges to alliance cohesion. It is likely that opponents of the NATO INF deployments will argue that deployment should be delayed to give the negotiators on strategic arms and on INF reductions in Geneva more time, since NATO INF deployments might prejudice the results (although Soviet INF deployments continue unabated, despite a fictitious unilateral SS-20 “moratorium” announced by Soviet President Leonid Brezhnev in March, 1982). It will also be argued that the “zero option” is unreasonable and that the West should show flexibility. No less predictable are dramatic but empty Soviet gestures (e.g., offering to redeploy certain forces to areas East of the Urals or to dismantle redundant or obsolete ones) designed to play upon popular desires for an agreement.

The challenge to NATO in the INF arms control forum is serious, because of the INF deployment schedule and the public sensitivity to the arms control issues. From an American perspective, too few Europeans appreciate how little arms control has accomplished in the past and how weak the United States negotiating position is in START and INF; in both cases, the United States is attempting to bargain away many deployed Soviet systems with fewer and undeveloped United States systems. From a West European perspective, United States pessimism about arms control is excessive; such negotiations represent instruments of dialogue, détente and war-prevention, and their political value complements and even excels their technical content.

NO SIMPLE SOLUTIONS

The perennial human quest for simple answers has led four noted Americans (McGeorge Bundy, George Kennan, Robert McNamara, and Gerard Smith) to propose that NATO adopt the Soviet declaratory position of “no first use” of nuclear weapons.¹⁴ Because of the risk that any use of nuclear weapons could lead to uncontrolled escalation, they argued that “even the most responsible choice of even the most limited nuclear actions to prevent even the most imminent conventional disaster should be left out of authorized policy.” As four distinguished West Germans pointed out in response, adoption of this “no first use” proposal would represent a withdrawal of the United States nuclear guarantee to West Europe, the ultimate basis of NATO's deterrent posture, because the Warsaw Pact would be notified in advance that NATO would not use nuclear weapons, even if defeated by conventional means. Deterrence would be undermined and war would be more probable because Soviet risks would be calculable.¹⁵

¹⁴See “Nuclear Weapons and the Atlantic Alliance,” *Foreign Affairs*, vol. 60 (spring, 1982); p. 762.

¹⁵Karl Kaiser, Georg Leber, Alois Mertes, and Franz-Josef Schulze, “Nuclear Weapons and the Preservation of Peace,” *Foreign Affairs*, vol. 60 (summer, 1982), pp. 1160-1162.

The "no first-use" argument advanced by four prominent former officials of the United States government disturbed attentive West European observers because it fit a recent pattern. Prominent United States officials have reassured NATO about the validity of the nuclear guarantee and then have questioned its validity on leaving office.¹⁶ Such threatened or tacit withdrawals of the United States nuclear guarantee, including proposals for major United States troop withdrawals, strengthen trends in West Europe to seek a "regional détente" with the U.S.S.R.

The West German and American "no first use" debaters have agreed that NATO's top priority should be strengthened conventional capabilities. In a year marked by popular fear and frustration over NATO's dependence on nuclear weapons, similar recommendations have been widespread.¹⁷ But increasing the quantity of conventional forces appears politically and thus financially infeasible. Neither President Reagan's cutbacks in social programs nor his efforts to rebuild United States defenses can be fully imitated in West Europe, because even conservative governments fear the domestic political consequences. Given prevailing economic conditions and mixed performance with the three percent goal, Supreme Allied Commander General Bernard Rogers's modest and practical proposal for a four percent real annual increase in defense spending during the period 1983-1988 may prove unattainable.

Improved management of available resources has already been attempted. The theoretical options that could make a significant difference—more standardization, more joint procurement and the specialization of defense production and function among allies—are frustrated by the members' enduring lack of political will to cooperate. Protecting domestic industries, employment and national traditions of illusory self-sufficiency defeat effective cooperation.

Technology is thus the great hope of those trying to draw more strength from available resources. For several years, precision and terminally guided antitank and anti-air munitions have featured prominently in Western prescriptions. Increased attention has been given to remotely piloted reconnaissance vehicles to assist in targeting the rear echelons of Warsaw Pact forces. Operational analysis has, however, established

the absence of technological miracles. Sophisticated guidance and reconnaissance systems are subject to countermeasures, are of uncertain reliability in war-time conditions, and are to some extent matched by increasingly advanced Soviet systems.

At any rate, the alliance's nuclear dilemmas cannot be banished through improved conventional capabilities. Advocates of stronger conventional forces must not overlook the magnitude of Warsaw Pact conventional superiority, NATO's lack of geographic depth and—above all—the nuclear and chemical orientation of Soviet theater war doctrine. One could "raise the nuclear threshold" with confidence only if the Soviet leadership agreed.

It is likely that NATO's overall military inferiority relative to the Warsaw Pact will increase. The Reagan administration's strategic nuclear modernization programs are intended not to recapture United States strategic superiority, but only to reduce (if not eliminate) the destabilizing vulnerabilities created by Soviet counterforce superiority. This reduction might increase the credibility of the United States strategic nuclear guarantee, but it would not redress the growing deficiencies in the theater-nuclear and conventional legs of the NATO triad. Even if NATO's INF modernization is completed in 1988 (assuming the INF negotiations do not modify or rule out projected deployments), relative Soviet INF superiority will increase in the interim.

Even if NATO met its defense spending goal of a three percent real annual increase consistently, comparative Warsaw Pact superiority in conventional forces would increase, because Soviet military investments have increased at higher rates for over a decade. NATO has officially estimated that "the U.S.S.R.'s military expenditure is likely to rise at or above 4 percent a year in real terms until at least the mid-1980s." As United States Secretary of Defence Caspar Weinberger has predicted:

the Soviet lead will grow wider, even if we now accelerate our own investment efforts. That is to say, we have not yet experienced the full consequences of our lagging investments of the 1970's . . . even an increase in United States investments as high as 14 percent per year would not close the gap in accumulated assets until the early 1990's.¹⁸

These trends will strengthen Soviet political strategy for victory without war in Europe. If the Soviet Union can convince enough West Europeans that the Warsaw Pact will win any conflict in Europe, its military strategy for a "combined arms" offensive may be successful without actual implementation. The threat of a highly destructive war and NATO's military deficiencies may appear less worrisome to West Europeans with the advance of optimistic faith in "regional détente" with the U.S.S.R. as a means of assuring security in tandem with the United States guarantee. Over time, "regional détente" may become even more attractive and less

¹⁶The most prominent example is, of course, Henry Kissinger in his September, 1979 speech in Brussels, "The Future of NATO," available in *Washington Quarterly*, vol. 2 (autumn, 1979), pp. 3-17.

¹⁷Important examples include Senator Sam Nunn's report, *NATO: Can the Alliance Be Saved?* (Washington, D.C.: U.S. Senate, Committee on Armed Services, May 13, 1982), and the proposals by Manfred Wörner, now West German Defense Minister, described in some detail in *Aviation Week and Space Technology*, July 19, 1982, pp. 117-120.

¹⁸*Annual Report for Fiscal Year 1983*, pp. II-5, II-7.

and less distinguishable from accommodation to the Soviet Union.

The NATO allies can maintain their independence only if they face their political-military challenges in a comprehensive fashion. Unfortunately, the requirements for more realistic threat assessments, improved public information policies, increased defense efforts, greater alliance consensus on fundamental East-West issues and more sober arms control expectations all challenge the alliance's political ambivalence. NATO must nonetheless be strengthened in the interests of stable deterrence and peace. ■

THE END OF AN ERA IN WEST GERMANY

(Continued from page 408)

in the national Christian Democratic party. The sources for his controversial reputation are many, but foremost is his role in the *Spiegel* affair of 1962. At that time Defense Minister, Strauss ordered police and security forces to raid the offices of the newsmagazine *Der Spiegel*, seize "treasonous" material, and arrest the magazine's editors, one of whom was vacationing in Spain. The Justice Ministry, normally responsible for such action, was not informed of this nighttime raid. A major government crisis followed and Strauss had to resign. The whole episode obviously evoked memories of an earlier era.

Many Germans, especially outside Bavaria, regard Strauss as uncontrolled, unpredictable, erratic and impulsive, traits most Germans do not want in their political leaders. Inside Bavaria, however, he is somewhat of a folk hero. In 1980, when he finally had his chance at the chancellorship, he was badly beaten.

Strauss is a staunch anti-Communist, a supporter of private enterprise and the Atlantic Alliance. He is intelligent and, in spite of his hyperbolic rhetoric, cautious and pragmatic. Strauss is also a strong German nationalist, and he would drive a hard bargain for German interests in the international arena. However, he remains an electoral liability for the CDU. As in 1980, in future campaigns the SPD and even the FPD will train their guns on him and emphasize that he would be the power behind the throne in any CDU/CSU government. This is a major problem the union must overcome to achieve an absolute majority at the next election.

A Christian government can be expected to favor a supply-side approach to economic recovery; investment stimuli and tax incentives for business, already attempted by the SPD-FDP regime, will be intensified. Efforts will be made to contain the costs of social pro-

grams, especially in the pension and health areas, which have expanded rapidly in recent years. The Christian Democrats, however, by no means advocate a laissez-faire approach to the economy. It was the CDU/CSU, for example, which in 1957 instituted the dynamic pension program, the foundation of the post-war welfare state, and supported its subsequent expansion. The Catholic labor wing of the party has traditionally taken positions on social welfare issues similar to those held by the SPD and the trade unions. It is highly unlikely that a CDU-FDP government would attempt so drastic a reversal in the government's socioeconomic role as that instituted by administrations of British Prime Minister Margaret Thatcher and United States President Ronald Reagan. Both political tradition and the social welfare teachings of political Catholicism legitimate a major state presence in Germany.

CONCLUSION

For most of its 33-year history, West Germany has been a model of social, economic and political stability. For understandable historical reasons, most Germans have little interest in political drama or excitement; solid, "don't rock the boat" government has become the dominant pattern. German politics, for some observers, has been "bland" and "dull."³ Still other analysts perceive tensions and strains in the party system, the emergence of new political parties and extraparlimentary protest and citizen action groups as signs of an imminent crisis, rather than the normal expressions of a dynamic and vital democracy.⁴

Conflict and change, however, are hardly incompatible with liberal democracy. If established parties and institutions cannot meet the challenge and demands of new issues and constituencies, their replacement or transformation should be expected. The rise of the Greens may well be cause for concern or even despair among the elites of the established parties, but the environmentalists do not represent any threat to the democratic order itself. Indeed, the environmentalist parties and citizen action groups are more supportive of democratic values and processes, like freedom of speech and expression, tolerance of minorities and the rule of law, than many adherents of the established parties.

Nor can increased opposition to United States foreign and defense policies (i.e., the nuclear missile and gas pipeline issues) be interpreted as a sign that West Germany's commitment to the Atlantic Alliance or to Western values is diminishing. Since 1949, a consensus on the basic values, norms and processes of liberal democracy has emerged in West Germany's Federal Republic. Recent political developments illustrate the capacity of the West German system to accommodate political conflict and change within this democratic framework. ■

³Peter J. Katzenstein, "Problem or Model? West Germany in the 1980's," *World Politics*, vol. 32, no. 4 (July, 1980), p. 597.

⁴John Vinocur, "Signs of Instability Cloud Germany's Future," *The New York Times*, August 2, 1982, p. 1.

THE MONTH IN REVIEW

A Current History chronology covering the most important events of October, 1982, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arms Control

Oct. 7—Full U.S. and Soviet delegations resume negotiations on the reduction of strategic nuclear arms; the talks were recessed August 12.

European Economic Community (EEC)

Oct. 21—In Omaha, U.S. President Ronald Reagan announces that members of the EEC have agreed to reduce their steel exports to the U.S.

Meeting in Brussels, the EEC agrees to limit steel imports by some 10 percent so that members can sell more steel at home.

Iran-Iraq War

(See also *Sudan*)

Oct. 2—The Iraqi press agency reports that an Iranian offensive has been repulsed and that Iraqi troops have counterattacked and forced a retreat. The Iranian assault began September 30.

Oct. 7—Iranian radio denies that Iranian military forces were repulsed.

Oct. 11—Military sources in Iraq report that Iran has deployed 175,000 troops in preparation for a two-pronged push into Iraq near Basra and Baghdad.

United Nations

(See also *U.S.S.R.*)

Oct. 4—Under U.N. auspices, an international patent conference opens in Geneva for a 4-week session to consider revising the regulations of the Paris Convention of 1883.

Oct. 18—In Nairobi, Kenya, U.S. delegate to the U.N. International Telecommunications Union conference Michael Gardner tells the meeting that the U.S. will resign from the 157-member group "immediately and permanently" if an Algerian-sponsored resolution to bar Israel is passed.

Oct. 19—In a 104-50 General Assembly vote, Nicaragua wins the vacant Latin American seat on the Security Council.

Oct. 20—Arab diplomats say that the attempt of the Arab League countries to expel Israel from the General Assembly (a decision reached October 15) has been dropped; on October 16, U.S. Secretary of State George P. Shultz said that the U.S. would withdraw from the General Assembly and any other U.N. organization that voted to exclude Israel and would withhold its contributions to the U.N. and its organizations.

Oct. 21—The General Assembly votes 121 to 3 to ask the International Monetary Fund (IMF) not to grant a \$1.1-billion loan to South Africa; there were 23 abstentions.

Oct. 22—The International Telecommunications Union conference votes 85 to 1 to adopt British amendments that criticize Israel's military actions in Lebanon but do not expel it.

Oct. 26—In a procedural motion by Finland that halts further debate, the General Assembly accepts the report of its credentials committee, rejecting an Iranian

attempt to persuade the General Assembly to refuse Israel's credentials and expel Israel from the Assembly.

Oct. 28—Voting 105 to 23 with 20 abstentions, the General Assembly approves a resolution asking Vietnam to remove its troops from Cambodia.

ANGOLA

Oct. 14—The government press agency reports that on October 8, 300 villagers were killed by UNITA (National Union for the Total Independence of Angola), the pro-Western guerrilla group that is trying to topple the Marxist regime.

ARGENTINA

Oct. 27—The government announces an agreement with the IMF (International Monetary Fund) whereby Argentina will severely cut government spending in order to receive a \$2-billion IMF loan; the money is needed to keep the country from defaulting on its nearly \$40-billion foreign debt.

BOLIVIA

Oct. 5—After two years of military dictatorship, Congress overwhelmingly elects Hernán Siles Zuazo as President. Siles Zuazo was elected President in 1980, but fled the country because of the 1980 military coup.

Oct. 11—President Siles Zuazo replaces the entire military high command in an attempt to bring the military under civilian control.

BOTSWANA

(See *Zimbabwe*)

CAMBODIA

(See *Intl, U.N.*)

CANADA

Oct. 21—Prime Minister Pierre Elliott Trudeau gives his 3d televised speech in a week, in an attempt to assuage fears about Canada's high unemployment and inflation.

CHAD

Oct. 22—Hissen Habré, a former guerrilla leader sworn in as President October 21, names a Cabinet.

CHILE

Oct. 25—President Augusto Pinochet announces the formation of a commission to study the possibility of allowing the return of thousands of people exiled after he came to power in 1973.

CHINA

(See also *U.S.S.R.*)

Oct. 2—After meeting with U.S. Secretary of State George P. Shultz, Foreign Minister Huang Hua releases a statement affirming the "fundamental importance" of "the development of relations between our two countries."

Oct. 9—The official New China News Agency says that

U.S. President Ronald Reagan has violated the August 17 Chinese-American communiqué on Taiwan by "arbitrarily" linking U.S. arms sales to Taiwan to the manner in which the Chinese achieve reunification with the island.

Oct. 16—The New China News Agency reports the successful firing of a submarine-launched missile.

Oct. 22—High-level talks with the U.S.S.R. that began October 5 end.

Oct. 27—The government announces figures from the completed census showing that China has a population of 1,008,175,288 people. The census began in July.

CUBA

Oct. 21—Following the intervention of French President François Mitterrand, Armando Valladares, a Cuban poet, is released from prison after 22 years.

DENMARK

Oct. 16—The Parliament approves Prime Minister Poul Schlüter's economic austerity program.

Oct. 25—At least 50,000 people protest in Copenhagen against Prime Minister Schlüter's economic policies.

ECUADOR

Oct. 21—Workers stage a general strike in two cities in response to price increases in flour and gasoline, defying a state of emergency declared on October 20 by President Osvaldo Hurtado Larrea.

Oct. 28—President Hurtado Larrea ends the state of emergency. Trade union leaders say they will continue the general strike.

EGYPT

Oct. 3—In a speech marking the opening of Parliament, President Hosni Mubarak says Israel has "greatly harmed the cause of peace and stability in the area because it is once again beating the drums of war."

Oct. 12—President Mubarak signs a "charter of integration" with President Gaafar al-Nimeiry of the Sudan. The agreement will allow the coordination of political and investment policies to help bolster the two countries' economies.

EL SALVADOR

(See also *U.S., Foreign Policy*)

Oct. 1—A judge rules that there is "insufficient evidence" to hold a Salvadoran Army lieutenant who was allegedly responsible for ordering the killing of two U.S. labor advisers in San Salvador in 1981. The U.S. Embassy in San Salvador says it is "dismayed and incredulous" at the ruling.

Oct. 26—Reports that at least 15 leftists and labor leaders were abducted last week are confirmed when the Defense Ministry says it is holding 8 leaders on terrorism charges; the government does not comment on the other 7.

Oct. 27—Responding to a leftist guerrilla call for negotiations, President Alvaro Magaña and Constituent Assembly President Robert d'Aubuisson say that the guerrillas should disarm and take part in the 1984 elections.

FRANCE

(See also *Cuba; U.S., Foreign Policy*)

Oct. 7—Defense Minister Charles Hernu says that France will give "absolute priority" to building up its nuclear strike force, fitting the submarine fleet with

nuclear missiles and developing a medium-range land-based missile.

Oct. 15—President François Mitterrand denies that France is developing a neutron bomb; this charge was made on October 14.

Oct. 18—Budget Minister Laurent Fabius announces new tax benefits for French companies, in an attempt to bolster French exports and research and development.

GERMANY, WEST

Oct. 1—Parliament votes 256 to 235 in a constructive no-confidence vote to replace Chancellor Helmut Schmidt with Helmut Kohl.

Oct. 4—In his first news conference, Chancellor Helmut Kohl says that Germany will pursue "friendship and partnership, not dependency" with the U.S.; he also says his government wants "good" relations with East Europe.

A Foreign Ministry official says the new government does not plan to stop German companies from honoring contracts for the Soviet natural gas pipeline.

Oct. 30—At least 180,000 people demonstrate in Stuttgart and Hanover against Chancellor Kohl's economic policies; 200,000 turned out on October 23 in 3 other major cities to protest the new policies.

Oct. 31—A bomb explodes at a U.S. Army housing area in Giessen; the blast destroys 20 cars and damages several buildings.

GREECE

Oct. 25—After suffering a mild setback in local municipal elections on October 17, the governing Socialist party wins mayoralty elections in an overwhelming majority of cities.

Oct. 27—Talks begin with the U.S. on the future of U.S. military bases in Greece.

GUATEMALA

Oct. 13—The government denies Amnesty International's accusations of government-sponsored torture and mass executions. On October 4, the group reported that at least 2,600 peasants have been killed by the army and the militia since the March 23 military coup.

HONDURAS

Oct. 11—Foreign Minister Edgardo Paz Barnica meets with Nicaragua's Foreign Minister at the U.N.; they agree to discuss the border problem.

INDIA

Oct. 11—Sikh militants storm the Parliament House in New Delhi; 4 people are reported killed and at least 60 policemen are injured. The attack results from the death of 34 Sikhs in police custody in September.

INDONESIA

(See also *U.S., Foreign Policy*)

Oct. 13—Visiting Washington, D.C., with President Suharto, Foreign Minister Mochtar Kusumaatmadja says that charges of Indonesian abuses in East Timor are "untrue."

IRAN

(See also *Iran, Iran-Iraq War, U.N.*)

Oct. 2—An explosion in Teheran kills 60 people and injures 700.

Oct. 15—Ayatollah Ashrafi Isfahani, a close aide of Iranian leader Ayatollah Ruhollah Khomeini's, is killed.

IRAQ

(See *Intl, Iran-Iraq War; Sudan*)

ISRAEL

(See also *Intl, U.N.; Egypt; Lebanon; U.S., Foreign Policy*)

Oct. 10—The Cabinet announces that it will not withdraw Israeli troops from Lebanon until a security agreement is signed between the two countries.

Oct. 11—The military command releases figures on Israeli casualties in the war in Lebanon; 368 Israelis were killed and 2,383 were wounded.

Oct. 13—The government announces it is offering between 200 and 500 prefabricated housing units to homeless Palestinian refugees in southern Lebanon.

Oct. 15—The Army's Advocate General announces the forthcoming court-martial of 8 Israeli soldiers accused of using violence in putting down demonstrations in the occupied West Bank.

Oct. 25—Testifying before the 3-member panel investigating the Sabra-Shatila Palestinian refugee killings in West Beirut, Defense Minister Ariel Sharon insists that he did not suspect that the Lebanese Christian Phalangists would massacre refugees and that he did not know of the massacre for more than 24 hours after it began.

Oct. 31—Major General Amir Drori, the senior Israeli commander in Lebanon, testifies before the panel investigating the Sabra-Shatila killings that he was aware of the possibility of a massacre and that "we had warned them [the Phalangists]."

ITALY

(See *U.S., Foreign Policy*)

JAPAN

(See also *U.S.S.R.*)

Oct. 12—Prime Minister Zenko Suzuki announces that he will resign soon. No official explanation is given.

JORDAN

(See also *Syria*)

Oct. 6—King Hussein announces an amnesty for Palestinians charged with committing "crimes against state security" in the 1970 civil war.

Oct. 11—Jordanian and Palestinian officials say that negotiations between King Hussein and PLO (Palestine Liberation Organization) head Yasir Arafat have not resolved important differences on the nature of a Jordanian-Palestinian federation.

LEBANON

(See also *Israel; U.S., Foreign Policy*)

Oct. 4—President Amin Gemayel asks Prime Minister Shafik al-Wazzan to retain his post.

Oct. 5—Army troops enter West Beirut. At least 400 people are detained for questioning.

Oct. 8—In West Beirut, shops and houses owned by Shiite Muslims are bulldozed by Army troops; officials say that the dwellings are illegal since the land belongs to the government.

Oct. 11—The military prosecutor investigating the Sabra-Shatila massacres says that 328 bodies have been recovered from the camps and that 991 people are listed as missing.

Oct. 14—An Army spokesman announces the arrest of

1,441 people in West Beirut since October 4. He also says that large caches of arms and ammunition have been found. Army troops have not yet entered East Beirut, whose Christian population remains armed.

Oct. 18—Speaking to the U.N., President Gemayel says that Israeli forces in Lebanon are the chief obstacle to a lasting peace.

Oct. 19—President Gemayel meets with U.S. President Ronald Reagan in Washington, D.C. Gemayel asks President Reagan for an increase in the number of Americans in the multinational peacekeeping force.

MEXICO

(See *U.S., Foreign Policy*)

MOROCCO

(See *U.S., Foreign Policy*)

NETHERLANDS

Oct. 13—Prime Minister Andreas van Agt resigns after 4 years in office.

NICARAGUA

(See *Intl, U.N.; Honduras*)

NIGERIA

Oct. 31—A newspaper reports that more than 450 people have been killed since October 26 in religious rioting in the northeast.

PANAMA

Oct. 1—President Ricardo de la Espriella meets with U.S. President Ronald Reagan in Washington, D.C.

PERU

Oct. 20—The government lifts a state of emergency that was imposed August 20. It says that most of the 34,000 people arrested in a drive to reduce terrorism have been released.

POLAND

(See also *U.S.S.R.; U.S., Foreign Policy*)

Oct. 4—The Supreme Court sentences former Ambassador to the U.S. Romuald Spasowski to death in absentia.

Oct. 8—The trade union Solidarity is banned by Parliament, which votes 441 to 10 with 9 abstentions to outlaw all existing unions.

Oct. 11—Workers at the Lenin Shipyard in Gdansk strike to protest the law outlawing Solidarity.

Oct. 12—When the Lenin Shipyard is struck again, the government orders the shipyard "militarized," technically drafting the workers into the military.

Oct. 26—The Parliament passes legislation requiring all able-bodied men between 18 and 45 to prove they are employed.

PORTUGAL

Oct. 30—Following last week's return to civilian rule, a new constitution goes into effect that bans military officers from politics.

SOUTH AFRICA

Oct. 21—A white member of the African National Congress is given a 10-year prison sentence for high treason. It is a crime to belong to the Congress.

SPAIN

- Oct. 3—The Defense Ministry reports the arrest of 3 army officers who were allegedly planning a coup October 27.
- Oct. 28—The Socialist party wins a clear majority of 202 seats in the 350-seat Congress; the Socialists have been out of power for 40 years.

SRI LANKA

- Oct. 21—President J.R. Jayewardene is reelected to a new 6-year term of office.

SUDAN

(See also *Egypt*)

- Oct. 3—The government press agency reports that President Gaafar al-Nimeiry has decided to send weapons and troops to Iraq. The Sudan is the first Arab nation to dispatch troops to aid Iraq in its war with Iran.

SWEDEN

- Oct. 7—Social Democrat Olof Palme is sworn in as Prime Minister.
- Oct. 8—Prime Minister Palme devalues the krone by 16 percent in an attempt to make Swedish exports more competitive.
- Oct. 26—The Navy calls off its search for an unidentified submarine that entered Swedish waters on October 5.

SYRIA

(See also *U.S., Foreign Policy*)

- Oct. 10—Information Minister Ahmed Iskandar says that PLO (Palestine Liberation Organization) chief Yasir Arafat is not authorized to speak for the PLO in talks with Jordan's King Hussein about a federation between Jordan and the Palestinians of the West Bank and Gaza.

TURKEY

- Oct. 15—The government reports that the U.S. has agreed to pay for the improvement and modernization of 10 Turkish airfields.
- Former Prime Minister Bulent Ecevit is released from prison; he was acquitted on October 12 of charges of "defaming his country."
- Oct. 19—The military government releases the final version of a constitution to be voted on in a referendum on November 7. The constitution contains a clause that automatically provides for the election as President of head of state General Kenan Evren.
- Oct. 20—The military junta issues an order banning any criticism of key provisions of the proposed constitution and any criticism of Evren's speeches about the constitution.

UNITED KINGDOM

Great Britain

- Oct. 8—In a speech before the annual Conservative party conference, Prime Minister Margaret Thatcher says she will not alter her economic policies despite increasing unemployment and a deepening recession.
- Oct. 26—Prime Minister Thatcher tells the House of Commons that the Falklands War cost Britain about \$1.19 billion.

Northern Ireland

- Oct. 23—Final results of the October 20 elections for a

- 78-seat advisory assembly that will guide Northern Ireland to self-rule are announced. There was strong support for Ian Paisley's Democratic Unionists and the IRA (Irish Republican Army) Sinn Fein.
- Oct. 27—A 1,000-pound bomb explodes under a police car, killing 3 policemen. Irish nationalists are believed to have planted the explosive.

U.S.S.R.

- (See also *Intl, Arms Control; China; U.S., Foreign Policy*)
- Oct. 1—Foreign Minister Andrei A. Gromyko tells the U.N. General Assembly that the U.S. Middle East peace plan demonstrates "hostility toward Arabs."
- Oct. 12—In a message to Polish Prime Minister Wojciech Jaruzelski, Defense Minister Dimitri F. Ustinov says the U.S.S.R. will give its "full support and help" to Poland.
- Oct. 23—A Japanese newspaper reports that the U.S.S.R. has built a new submarine base near Japan.
- Oct. 27—President Leonid I. Brezhnev tells an audience of 500 generals and Defense Ministry officials that the U.S. has launched a "political, ideological and economic offensive on socialism"; he calls for closer relations with China, an increase in the combat-readiness of the Soviet Army and the upgrading of military technology.

UNITED STATES

Administration

- Oct. 4—U.S. district court Judge Gordon Thompson Jr. sentences Benjamin H. Sasway to 30 months in prison for failure to register for the draft.
- Speaking to veterans organizations in Columbus, Ohio, President Ronald Reagan calls the members of the National Movement for a Freeze on Nuclear Weapons a "group of honest and sincere people" being manipulated by "some who want the weakening of America."
- Chief of the Veterans Administration Robert P. Nimmo announces his resignation from that post.
- Oct. 5—White House adviser on drug abuse policy Carlton Turner announces a new "comprehensive, coordinated program" against drug abuse, particularly drug abuse by the young.
- Oct. 6—Secretary of Health and Human Services Richard S. Schweiker proposes a uniform fee scale for Medicare services provided by hospitals.
- Oct. 13—In a nationally televised speech from the White House, President Reagan pinpoints unemployment as the nation's number one problem; he asks the nation to have the "courage to see [his policies] through" to prosperity.
- Oct. 14—Speaking at the Justice Department, President Reagan announces new plans to "cripple the power of the mob in America" and combat its distribution of narcotics by organizing special task forces and hiring 900 new agents and 600 more legal and support personnel.
- Oct. 20—In Peoria, President Reagan says that the Agriculture Department will make \$1.5 billion available in credits to foreign companies and governments to allow the purchase of U.S. farm commodities over the next 3 years; \$500 million will be available in fiscal 1983.
- Oct. 22—The U.S. District Court of Appeals for the District of Columbia holds that laws enabling both houses of Congress acting together to veto federal

agency rules are unconstitutional; the 8 judges act unanimously in a case involving the Federal Trade Commission.

Oct. 26—Interior Secretary James Watt proposes 10 water development projects in Western states at a cost of \$258.5 million.

Oct. 26—The Environmental Protection Agency announces that 24 companies have agreed to pay \$7.7 million to remove toxic wastes from a dump in Seymour, Indiana.

Oct. 31—The Department of Agriculture releases figures that show that 3.2 million students and 2,700 schools dropped out of the school lunch program in the last year because of cuts in federal spending.

Economy

(See also *Administration*)

Oct. 5—The auto industry ends its 1982 model year on September 30 with domestic sales of only 5.54 million units, the lowest total since 1961.

Oct. 7—The New York Stock Exchange reports a record 147.1 million shares traded.

Oct. 8—The Federal Reserve Board announces a cut in its discount rate to 9.5 percent.

The Labor Department reports that the nation's unemployment rate rose to 10.1 percent in September, the highest monthly figure in 42 years.

Oct. 12—4 of the country's largest banks lower their prime rate to 12 percent, a reduction of 1.0 percent.

Oct. 15—The Labor Department report that its producer price index fell 0.1 percent in September.

Oct. 20—The Commerce Department reports that the gross national product (GNP) rose at an 0.8 percent rate in the 3d quarter of 1982.

Oct. 21—The New York Stock Exchange's Dow Jones industrial average rises to 1,036.98, its highest level in nearly 10 years.

Oct. 22—New York's Chemical Bank cuts its prime rate to 11.5 percent.

President Reagan announces that the Small Business Administration and the Department of Housing and Urban Development will combine existing programs in order to supply up to \$5 billion in investment in small businesses to create 300,000 new jobs in the next 4 years, with the 21 states involved furnishing matching grants.

Oct. 26—The Treasury Department and the Office of Management and Budget report that the U.S. deficit for fiscal 1982, which ended September 30, was a record \$110.7 billion.

The Labor Department reports that the consumer price index rose 0.2 percent in September.

Oct. 29—The Commerce Department reports that its index of leading economic indicators rose 0.5 percent in September.

Foreign Policy

(See also *Intl, Arms Control, EEC, U.N.; China; El Salvador; Germany, West; Greece; Lebanon; Panama; Turkey; U.S.S.R.*)

Oct. 6—State Department spokesman Alan D. Romberg reports that the U.S., France and Italy, the 3 nations with peacekeeping forces in Lebanon, have warned Lebanon's government not to violate "basic" human rights in its effort to establish its control in Beirut.

Oct. 8—President Reagan meets with Mexican President-elect Miguel de la Madrid Hurtado in Tijuana,

Mexico, and in Coronado, California; they pledge cooperation and "mutual respect."

Oct. 9—Deputy White House press secretary Larry Speakes reports that President Reagan has directed the suspension of Poland's most-favored-nation status because of the Polish government's October 8 action outlawing the labor union Solidarity.

Oct. 12—At a White House dinner in honor of visiting Indonesian President Suharto, President Reagan announces the appointment of Assistant Secretary of State for East Asian and Pacific Affairs John H. Holdridge as Ambassador to Indonesia.

Oct. 14—Secretary of State George P. Shultz and Israeli Foreign Minister Yitzhak Shamir confer in Washington, D. C., on the early withdrawal of Israeli, PLO and Syrian troops from Lebanon and on the need for speed in the search for a formula for peace in the Middle East.

Oct. 15—President Reagan announces that in 2 weeks Agriculture Secretary John R. Block is to inform Soviet representatives in Vienna that the U.S. is willing to sell 23 million tons of grain to the Soviet Union during the next year, provided the agreement for the sale is made before November 30.

Oct. 20—The Defense Department announces a U.S.-Marshall Islands agreement over the use of the island chain as a missile test site; the agreement limits the use of the islands to 30 years instead of 50 years and provides \$6 million in aid over the next 3 years to improve living conditions on the islands.

Oct. 22—President Reagan meets in Washington, D.C., with an Arab League delegation headed by King Hassan II of Morocco; Hassan says that "peace and co-existence" can be attained in the Middle East, using U.S., Arab and U.N. proposals as a basis for agreement.

Oct. 25—White House spokesman Larry Speakes announces that President Reagan will continue to authorize the U.S. government to pay the interest on loans owed by Poland to American banks, thus preventing Poland from being declared in default.

The State Department reports that Israel and Lebanon have agreed to negotiations leading to Israeli troop withdrawal from Lebanon.

Under Secretary of Defense Fred C. Iklé leaves for El Salvador to warn officials against the continuing abuse of human rights there.

Oct. 29—The U.S. and Thailand sign a prisoner repatriation treaty.

Labor and Industry

Oct. 20—The Securities and Exchange Commission issues a report that criticizes the actions of 6 major brokerage houses in extending excessive credit to the billionaire Hunt family of Texas in 1980 when the family speculated in silver and tried to corner the world market.

The New York Stock Exchange fines the brokerage firm of Bache Halsey Stuart Shields Inc. for permitting the Hunt family to use excessive credit to speculate in the silver market, thus endangering the firm's survival.

Oct. 21—The U.S. Postal Service agrees to pay its employees \$400 million in back pay from 1974 to 1978; the Service violated the Fair Labor Standards Act with regard to overtime, night differentials and holiday work pay.

(Continued on page 448)

Current History Index, January-December, 1982

Volume 81, Numbers 471-479

SUBJECTS

AFGHANISTAN

- Afghanistan Under Soviet Occupation, May, 219;
U.N. General Assembly Resolution 36/34 on Afghanistan (doc.), May, 232;
U.S. Ambassador Kirkpatrick's Statement to the U.N.: The Situation in Afghanistan (doc.), May, 224;
U.S. State Department Statement on Afghanistan (doc.), May, 232.

AFRICA

- Africa (map), March, inside back cover;
Africa South of the Sahara, 1982, March, entire issue;
Kenya: The Echoing Footsteps, March, 115;
Land Policy and Politics in Zimbabwe, March, 121;
Mozambique: The Enemy Within, March, 111;
Namibia in International Politics, March, 101;
Nigeria Under Shagari, March, 106;
The Political Economy of Zambia, March, 125;
Report from Zimbabwe, March, 119;
U.S. Policy in Sub-Saharan Africa, March, 97.

ALBANIA

- Albania: Retreat Toward Survival, Nov., 376.

ARGENTINA

- The Argentine Revolution Falters, Feb., 74.

ASIA

- See **Pacific Nations; South Asia.**

AUSTRALIA

- Australia and United States Strategy, April, 150.

BANGLADESH

- Bangladesh Today, May, 207.

BOOK REVIEWS

- Feb., 82; March, 129; April, 175; May, 223; Sept., 272; Oct., 335; Nov., 384; Dec., 432.

BOOKS REVIEWED

- Arnold, Anthony, *Afghanistan: The Soviet Invasion in Perspective*, May, 223;
Barry, Donald D. and Carol Barner-Barry, *Contemporary Soviet Politics: An Introduction*, Oct., 335;
Bialer, Seweryn and Thane Gustafson, eds., *Russia at the Crossroads: The 26th Congress of the CPSU*, Oct., 336;
Bowman, Larry W. and Ian Clark, eds., *The Indian Ocean in Global Politics*, May, 234;
Boyce, D.G., *Nationalism in Ireland*, Dec., 432;
Burchett, Wilfred, *The China-Cambodia-Vietnam Triangle*, Sept., 273;
Burks, Ardath, *Japan: Profile of a Postindustrial Power*, April, 175;
Burns, E. Bradford, *The Poverty of Progress: Latin America in the Nineteenth Century*, Feb., 82;
Checinski, Michael, *Poland: Communism, Nationalism, Anti-Semitism*, Nov., 384;
Cheng, Chu-yuan, *Chinese Economic Development: Growth and Structural Change*, Sept., 272;
Drummond, Gordon D., *The German Social Democrats in Opposition, 1949-1960*, Dec., 432;
Ebinger, Charles K., *Pakistan: Energy Planning in a Strategic Vortex*, May, 233;
Ellison, Herbert J., ed., *The Sino-Soviet Conflict: A Global Perspective*, Sept., 272;

- Europa Publications, *Africa South of the Sahara, 1981-1982*, March, 129;
Fairbank, John King, *Chinabound: A Fifty Year Memoir*, Sept., 272;
Frank, Gary, *Struggle for Hegemony in South America: Argentina, Brazil and the United States During the Second World War*, Feb., 84;
Fukutake, Tadashi, *Japanese Society Today*, April, 175;
Ghareeb, Edmund, *The Khurdish Question in Iraq*, May, 234;
Girling, John L.S., *Thailand: Society and Politics*, Sept., 281;
Griffiths, John C., *Afghanistan: Key to a Continent*, May, 223;
Grossberg, Kenneth A., ed., *Japan Today*, April, 175;
Hammond, Thomas T., ed., *Witnesses to the Origins of the Cold War*, Oct., 335;
Handelman, Howard, ed., *The Politics of Agrarian Change in Asia and Latin America*, April 175;
Handelman, Howard and Thomas G. Sanders, eds., *Military Government and the Movement Toward Democracy in South America*, Feb., 83;
Hanf, Theodor et al., *South Africa*, March, 129;
Hardgrave Jr., Robert, *India: Government and Politics in a Developing Nation*, May, 234;
Harding, Harry, *Organizing China: The Problem of Bureaucracy, 1949-1976*, Sept., 273;
Harrison, Selig, *In Afghanistan's Shadow: Baluch Nationalism and Soviet Temptations*, May, 233;
Hero, Alfred O. and John Barratt, eds., *The American People and South Africa*, March, 129;
Hillal Dessouki, Ali E., ed., *Islamic Resurgence in the Arab World*, May, 234;
Holloway, Thomas H., *Immigrants on the Land: Coffee and Society in Sao Paulo*, Feb., 83;
Horowitz, Irving L., ed., *Cuban Communism*, Feb., 84;
Hull, Richard W., *Southern Africa*, March, 129;
Iatrides, John O., ed., *Greece in the 1940's: A Nation in Crisis*, Dec., 432;
———, *Greece in the 1940's: A Bibliographic Companion*, Dec., 432;
Jupp, James, *The Radical Left in Britain*, Dec., 432;
Kapur, Harish, *The Awakening Giant: China's Ascension in World Politics*, Sept., 273;
Katz, Mark N., *The Third World in Soviet Military Thought*, Oct., 335;
Kim, Key-Hiuk, *The Last Phase of the East Asian World Order: 1860-1882*, April, 175;
Kindersley, Richard, ed., *In Search of Eurocommunism*, Nov., 384;
Kozicki, Richard J., *International Relations of South Asia*, May, 223;
Lall, Arthur, *The Emergence of Modern India*, May, 234;
Larson, Joyce E., ed., *New Foundations for Asian and Pacific Security*, April, 175;
Lee, Chae-jin and Hideo Sato, *U.S. Policy Toward Japan and Korea*, Sept., 273;
Lenczowski, John, *Soviet Perceptions of U.S. Foreign Policy*, Oct., 335;
Marer, Paul and Eugeniusz Tabaczynski, eds., *Polish-Industrial Cooperation in the 1980's*, Nov., 384;

- Markovic, Mihailo, *Democratic Socialism*, Nov., 384;
 Marr, David G., *Vietnamese Tradition on Trial, 1920-1945*, April, 175;
 Martin, David and Phyllis Johnson, *The Struggle for Zimbabwe*, March, 129;
 Mitchell, Allan and Istvan Deak, *Everyman in Europe, Vol. I: The Preindustrial Millennia; Vol. II: The Industrial Centuries*, Dec., 432;
 Murray, Jocelyn, ed., *Cultural Atlas of Africa*, March, 129;
 Nelson, Daniel N., ed., *Romania in the 1980's*, Nov., 384;
 Newell, Nancy Peabody and Richard S. Newell, *The Struggle for Afghanistan*, May, 223;
 Ottaway, Marina, *Soviet and American Influence in the Horn of Africa*, Oct., 336;
 Reinhartz, Dennis, *Milovan Djilas: A Revolutionary as a Writer*, Nov., 384;
 Ricklefs, M.C., *A History of Modern Indonesia*, April, 175;
 Rosenberg, William G. and Marilyn B. Young, *Transforming Russia and China*, Sept., 272;
 Rostow, W.W., *The Division of Europe After World War II: 1946*, Oct., 335;
 ———, *Europe After Stalin: Eisenhower's Three Decisions of March 11, 1953*, Dec., 432;
 Rubinstein, Alvin Z., *Soviet Policy Toward Turkey, Iran, and Afghanistan: The Dynamics of Influence*, Oct., 336;
 Scott, Harriet Fast and William F. Scott, eds., *The Soviet Art of War*, Oct., 335;
 Shaw, Timothy M., ed., *Alternative Futures for Africa*, March, 129;
 Study Commission on U.S. Policy Toward Southern Africa, *South Africa: Time Running Out*, March, 129;
 Thomson Jr., James C. et al., *Sentimental Imperialists: The American Experience in East Asia*, April, 175;
 Thompson, Carol L. et al., eds., *Current History Encyclopedia of Developing Nations*, May, 234;
 Unger, Jonathan, *Education Under Mao: Class and Competition in Canton Schools, 1960-1980*, Sept., 273;
 Wilson, Dick, *When Tigers Fight: The Story of the Sino-Japanese War, 1937-1945*, Sept., 273;
 Wolpert, Stanley, *A New History of India*, May, 234;
 ———, *Roots of Confrontation in South Asia*, May, 223;
 Ziring, Lawrence, *Pakistan: The Enigma of Political Development*, May, 233.

BRAZIL

- Brazil: The Dimensions of Democratization, Feb., 60.

CHILE

- Eight Years of Military Rule in Chile, Feb., 64.

CHINA

- China's Economic Readjustment, Sept., 264;
 China's Population Policy, Sept., 251;
 Defending China in 1982, Sept., 246;
 Energy Development in China, Sept., 255;
 The People's Republic of China (map), Sept., inside back cover;
 The People's Republic of China, 1982, Sept., entire issue;
 Political Reform in China, Sept., 259;
 Sino-American Relations, Sept., 241;
 Sino-Japanese Relations, Sept., 268.

DENMARK

- Danish Politics in the 1980's, Dec., 412.

DOCUMENTS

- Saudi Arabia's Eight-Point Peace Plan, Jan., 4;
 U.N. General Assembly Resolution 36/34 on Afghanistan, May, 232;
 U.S. Ambassador Kirkpatrick's Statement to the U.N.: The Situation in Afghanistan, May, 224;
 U.S. State Department Statement on Afghanistan, May, 232.

EGYPT

- Egypt After Sadat, Jan., 5.

EUROPE, EAST

- Albania: Retreat Toward Survival, Nov., 376;
 East Europe, Nov., entire issue;
 East Europe (map), Nov., inside back cover;
 Finland After Kekkonen, Nov., 381;
 The German Democratic Republic, Nov., 366;
 Hungary: Socialism with a Nervous Tic, Nov., 362;
 Poland: Quo Vadis? Nov., 371;
 Stability in the Warsaw Pact? Nov., 353;
 Trade and Integration in East Europe, Nov., 357.

EUROPE, WEST

- War and Politics in Britain, Dec., 409;
 The End of an Era in West Germany, Dec., 405;
 Danish Politics in the 1980's, Dec., 412;
 France: The Return of the Revolutionary Tradition, Dec., 422;
 Greece and Its Neighbors (map), Dec., 427;
 Ideology and Pragmatism in Greek Foreign Policy, Dec., 426;
 NATO's Political-Military Challenges, Dec., 401;
 Spain's Political Future, Dec., 417;
 West Europe, Dec., entire issue;
 West Europe (map), Dec., inside back cover.

FINLAND

- Finland After Kekkonen, Nov., 381.

FRANCE

- France: The Return of the Revolutionary Tradition, Dec., 422.

GERMANY, EAST

- The German Democratic Republic, Nov., 366.

GERMANY, WEST

- The End of an Era in West Germany, Dec., 405.

GREECE

- Greece and Its Neighbors (map), Dec., 427;
 Ideology and Pragmatism in Greek Foreign Policy, Dec., 426.

HUNGARY

- Hungary: Socialism with a Nervous Tic, Nov., 362

INDIA

- India Enters the 1980's, May, 197.

IRAN

- The Politics of Extremism in Iran, Jan., 9.

IRAQ

- Iraq: Pragmatic Radicalism, Jan., 14.

ISRAEL

- Israel's Foreign Policy Challenge, Jan., 18.

JAPAN

- Japan in the World of the 1980's, April, 168;
 Sino-Japanese Relations, Sept., 268.

JORDAN

- Jordan and Arab Polarization, Jan., 22.

KENYA

- Kenya: The Echoing Footsteps, March, 115.

KOREA, NORTH

- North Korea: A Reevaluation, April, 155.

KOREA, SOUTH

Politics in South Korea, April, 173.

LATIN AMERICA

The Argentine Revolution Falters, Feb., 74;
Brazil: The Dimensions of Democratization, Feb., 60;
Changing U.S. Policy in Latin America, Feb., 49;
Eight Years of Military Rule in Chile, Feb., 64;
Latin America (map), Feb., inside back cover;
Latin America, 1982, Feb., entire issue;
Not by Oil Alone: The Outlook for Mexico, Feb., 78;
Nuclear Proliferation in Latin America, Feb., 52;
Political Instability in Central America, Feb., 56;
The Struggle for Normalcy in Uruguay, Feb., 69.

LEBANON

Divided Lebanon, Jan., 30.

MAPS

Africa, March, inside back cover;
China, Sept., inside back cover;
East Europe, Nov., inside back cover;
Greece and Its Neighbors, Dec., 427;
Latin America, Feb., inside back cover;
The Middle East, Jan., inside back cover;
Mongolia and the Soviet Union, May, 217;
South Asia, May, inside back cover;
Soviet Polar Region, Oct., 307;
The Soviet Union, Oct., inside back cover;
West Europe, Dec., inside back cover;
The Western Pacific, April, inside back cover.

MEXICO

Not by Oil Alone: The Outlook for Mexico, Feb., 78.

MIDDLE EAST

Divided Lebanon, Jan., 30;
Egypt After Sadat, Jan., 5;
Iraq: Pragmatic Radicalism, Jan., 14;
Israel's Foreign Policy Challenge, Jan., 18;
Jordan and Arab Polarization, Jan., 22;
The Middle East (map), Jan., inside back cover;
The Middle East, 1982, Jan., entire issue;
The Politics of Extremism in Iran, Jan., 9;
Saudi Arabia's Eight-Point Peace Plan (doc.), Jan., 4;
Turkey's Policy in Flux, Jan., 26;
U.S. Policy in the Middle East, Jan., 1.

MONGOLIA

Mongolia and the Soviet Union (map), May, 217;
Mongolia: Pawn of Geopolitics, May, 215.

MONTH IN REVIEW

Jan., 43; Feb., 91; March, 139; April, 187; May, 235;
Sept. (4 months), 282; Oct., 347; Nov., 395; Dec., 439.

MOZAMBIQUE

Mozambique: The Enemy Within, March, 111.

NAMIBIA

Namibia in International Politics, March, 101.

NIGERIA

Nigeria Under Shagari, March, 106.

PACIFIC NATIONS

Australia and United States Strategy, April, 150;
Japan in the World of the 1980's, April, 168;
The Nations of the Pacific, April, entire issue;
North Korea: A Reevaluation, April, 155;
The Philippines Under Marcos, April, 160;
Politics in South Korea, April, 173;
Taiwan's Role in the Western Pacific, April, 164;
U.S. Strategic Interests in the Pacific, April, 145;
The Western Pacific (map), April, inside back cover.

PAKISTAN

Pakistan: A New "Front-Line" State? May, 202.

PHILIPPINES

The Philippines Under Marcos, April, 160.

POLAND

Poland: Quo Vadis? Nov., 371.

SAUDI ARABIA

Saudi Arabia's Eight-Point Peace Plan (doc.), Jan., 4.

SOUTH ASIA

Afghanistan Under Soviet Occupation, May, 219;
Bangladesh Today, May, 207;
India Enters the 1980's, May, 197;
Mongolia and the Soviet Union (map), May, 217;
Mongolia: Pawn of Geopolitics, May, 215;
The Nations of South Asia, May, entire issue;
Pakistan: A New "Front-Line" State? May, 202;
Political and Economic Development in Sri Lanka, May, 211;
South Asia (map), May, inside back cover;
The Strategic Significance of South Asia, May, 193;
U.N. General Assembly Resolution 36/34 on Afghanistan (doc.), May, 232;
U.S. Ambassador Kirkpatrick's Statement to the U.N.: The Situation in Afghanistan (doc.), May, 224;
U.S. State Department Statement on Afghanistan (doc.), May, 232.

SPAIN

Spain's Political Future, Dec., 417.

SRI LANKA

Political and Economic Development in Sri Lanka, May, 211.

TAIWAN

Taiwan's Role in the Western Pacific, April, 164.

TURKEY

Turkey's Policy in Flux, Jan., 26.

U.S.S.R.

Changing Soviet Conceptions of East-West Relations, Oct., 331;
Chronicling Soviet Dissidence, Oct., 333;
The Muslims of the Soviet Union, Oct., 327;
New Plans and Old Results for Soviet Agriculture, Oct., 323;
Soviet-American Policy, Oct., 305;
The Soviet Energy Pipeline, Oct., 309;
Soviet Industry and Trade, Oct., 318;
Soviet Polar Region (map), Oct., 307;
The Soviet Union (map), Oct., inside back cover;
The Soviet Union, 1982, Oct., entire issue;
The Soviet Union in the Third World, Oct., 313.

UNITED KINGDOM

War and Politics in Britain, Dec., 409.

UNITED STATES

Australia and United States Strategy, April, 150;
Changing U.S. Policy in Latin America, Feb., 49;
Sino-American Relations, Sept., 241;
Soviet-American Policy, Oct., 305;
NATO's Political-Military Challenges, Dec., 401;
The Strategic Significance of South Asia, May, 193;
U.S. Policy in Sub-Saharan Africa, March, 97;
U.S. Policy in the Middle East: Toward a Pax Saudi-ana, Jan., 1;
U.S. Strategic Interests in the Pacific, April, 145.

URUGUAY

The Struggle for Normalcy in Uruguay, Feb., 69.

ZAMBIA

The Political Economy of Zambia, March, 125.

ZIMBABWE

Land Policy and Politics in Zimbabwe, March, 121;
Report from Zimbabwe, March, 119.

AUTHORS

- ALBINSKI, HENRY S.:**
Australia and United States Strategy, April, 150.
- ANDERBERG, MARY M.:**
Book Reviews, Feb., 82.
- AQUINO, BELINDA A.:**
The Philippines Under Marcos, April, 160.
- ASTIZ, CARLOS A.:**
Changing U.S. Policy in Latin America, Feb., 49.
- BAKER, EDWARD J.:**
Politics in South Korea, April, 173.
- BENJAMIN, GERALD:**
Japan in the World of the 1980's, April, 168.
- BILL, JAMES A.:**
The Politics of Extremism in Iran, Jan., 9.
- BINDER, LEONARD:**
U.S. Policy in the Middle East, Jan., 1.
- BROWN, JAMES:**
Turkey's Policy in Flux, Jan., 26.
- BRUNSDALE, MITZI M.:**
Chronicling Soviet Dissidence, Oct., 333.
- CHEN, KUAN-I:**
China's Population Policy, Sept., 251.
- CONRADT, DAVID P.:**
The End of an Era in West Germany, Dec., 405.
- COPPER, JOHN F.:**
Sino-American Relations, Sept., 241.
- COUFOUDAKIS, VAN:**
Ideology and Pragmatism in Greek Foreign Policy, Dec., 426.
- CRISOSTOMO, ROSEMARIE:**
The Muslims of the Soviet Union, Oct., 327.
- CYR, ARTHUR:**
War and Politics in Britain, Dec., 409.
- DONALDSON, ROBERT H.:**
The Soviet Union in the Third World, Oct., 313.
- DOVRING, FOLKE:**
New Plans and Old Results for Soviet Agriculture, Oct., 323.
- EBEL, ROLAND H.:**
Political Instability in Central America, Feb., 56.
- EINHORN, ERIC S.:**
Danish Politics in the 1980's, Dec., 412.
- ERICKSON, JOHN:**
Stability in the Warsaw Pact? Nov., 353.
- FALKENHEIM, VICTOR C.:**
Political Reform in China, Sept., 259.
- FEENEY, WILLIAM R.:**
U.S. Strategic Interests in the Pacific, April, 145.
- FERNANDO, TISSA:**
Political and Economic Development in Sri Lanka, May, 211.
- FINAN, WILLIAM W., JR.:**
Book Reviews, Oct., 335; Dec., 432.
- GARFINKLE, ADAM M.:**
Jordan and Arab Polarization, Jan., 22.
- GOLDMAN, MARSHALL I.:**
The Soviet Energy Pipeline, Oct., 309.
- GORLIN, ALICE C.:**
Soviet Industry and Trade, Oct., 318.
- GRUNDY, KENNETH:**
Namibia in International Politics, March, 101.
- HADDAD, WILLIAM W.:**
Divided Lebanon, Jan., 30.
- HANHARDT, ARTHUR M., JR.:**
The German Democratic Republic, Nov., 366.
- HARBESON, JOHN W.:**
Land Policy and Politics in Zimbabwe, March, 121.
- HARDGRAVE, ROBERT L., JR.:**
India Enters the 1980's, May, 197.
- HENRIKSEN, THOMAS H.:**
Mozambique: The Enemy Within, March, 111.
- JACOBSEN, CARL G.:**
Soviet-American Policy, Oct., 305.
- JENCKS, HARLAN W.:**
Defending China in 1982, Sept., 246.
- KAMRANY, NAKE M.:**
Afghanistan Under Soviet Occupation, May, 219.
- KHALILZAD, ZALMAY:**
The Strategic Significance of South Asia, May, 193.
- KIHL, YOUNG WHAN:**
North Korea: A Reevaluation, April, 155.
- KNIGHT, VIRGINIA CURTIN:**
Book Reviews, March, 129; May, 223;
Report from Zimbabwe, March, 119.
- KOLSTI, JOHN:**
Albania: Retreat Toward Survival, Nov., 376.
- KRAUS, JON:**
Nigeria Under Shagari, March, 106.
- KROSBY, H. PETER:**
Finland After Kekkonen, Nov., 381.
- LANCASTER, CAROL:**
U.S. Policy in Sub-Saharan Africa, March, 97.
- LARKIN, BRUCE D.:**
Sino-Japanese Relations, Sept., 268.
- LEVINE, ROBERT M.:**
Brazil: The Dimensions of Democratization, Feb., 60.
- LIU, LEO YUEH-YUN:**
Taiwan's Role in the Western Pacific, April, 164.
- MCDONALD, RONALD H.:**
The Struggle for Normalcy in Uruguay, Feb., 69.
- MARANTZ, PAUL:**
Changing Soviet Conceptions of East-West Relations, Oct., 331.
- MERRIAM, JOHN G.:**
Egypt After Sadat, Jan., 5.
- PAYNE, STANLEY G.:**
Spain's Political Future, Dec., 417.
- PRYBYLA, JAN S.:**
China's Economic Readjustment, Sept., 264.
- QUESTER, GEORGE H.:**
Nuclear Proliferation in Latin America, Feb., 52.
- RACHWALD, ARTHUR R.:**
Poland: Quo Vadis? Nov., 371.
- RASHIDUZZAMAN, M.:**
Bangladesh Today, May, 207.
- RICHTER, WILLIAM L.:**
Pakistan: A New "Front-Line" State? May, 202.
- RUBINSTEIN, ALVIN Z.:**
Book Reviews, March, 129; May, 233, 234; Sept., 273;
Oct., 336; Nov., 384.
- RUPEN, ROBERT A.:**
Mongolia: Pawn of Geopolitics, May, 215.

RYAN, WILLIAM FRANCIS:

France: The Return of the Revolutionary Tradition, Dec., 422.

SHAW, TIMOTHY M.:

The Political Economy of Zambia, March, 125.

SKURSKI, ROGER:

Trade and Integration in East Europe, Nov., 357.

STAMP, PATRICIA:

Kenya: The Echoing Footsteps, March, 115.

TURNER, ARTHUR CAMPBELL:

Iraq: Pragmatic Radicalism in the Fertile Crescent, Jan., 14.

URQUIDI, VICTOR L.:

Not by Oil Alone: The Outlook for Mexico, Feb., 78.

VALENZUELA, ARTURO:

Eight Years of Military Rule in Chile, Feb., 64.

VOLGYES, IVAN:

Hungary: Socialism with a Nervous Tic, Nov., 362.

WALLER, HAROLD M.:

Israel's Foreign Policy Challenge, Jan., 18.

WONG-FRASER, AGATHA S.Y.:

Energy Development in China, Sept., 255.

WYNIA, GARY W.:

The Argentine Revolution Falters, Feb., 74.

YOST, DAVID S.:

NATO's Political-Military Challenges, Dec., 401. ■

DANISH POLITICS IN THE 1980's: THE HABIT OF MUDDLING THROUGH

(Continued from page 434)

to enforce austerity in domestic programs. Like all modern Danish governments, the new government must govern through broad political cooperation. Although neither the Conservatives nor their coalition partners oppose the welfare state, some trimming of social programs is a necessary component of economic policy reforms. The unprecedented levels of unemployment and government deficits cannot be ignored, nor can foreign debts continue to pile up. The Social Democrats recognized this in their final proposals before resigning.

The Danish welfare state has attracted much outside attention. Although its generous provisions have prevented real economic hardship during the prolonged international recession, many Danes recognize that its cost may be part of their economic problem. Austerity will have to be fairly balanced. Foreign and defense policies cannot escape budget cuts. Social policies have eliminated material poverty, but economic growth has also played a role. Danes will remain frustrated. Nevertheless, the prospects are good that principles of fairness and social justice will be maintained. ■

THE MONTH IN REVIEW

(Continued from page 443)

Legislation

Oct. 1—The Senate in a voice vote and the House in a 290-123 vote approve a 10-week stopgap spending bill

that will provide funds to run the government until December 17.

The House votes 236 to 187 to approve a constitutional amendment mandating a balanced federal budget; this is 46 votes short of the two-thirds majority necessary to complete congressional action on a constitutional amendment. The Senate approved the measure in August. President Reagan expresses his "deep burning anger" at the setback.

Oct. 8—President Reagan signs the Export Trading Company Act; he hopes the measure will aid U.S. exports by as much as \$11 billion within three years.

Oct. 12—President Reagan signs the Missing Children Act, which allows use of the FBI's National Criminal Information Center to aid in the search for missing children; the House passed the bill September 30; the Senate approved it October 1.

Oct. 13—President Reagan signs the Job Training Partnership Act of 1982, which provides training for disadvantaged youths and retraining for adults; the measure is expected to cost some \$3 billion in fiscal 1983.

Oct. 18—President Reagan signs a conservation law that bars federal subsidies for the development of the nation's barrier islands; it is designed to slow the development of these areas.

Oct. 22—President Reagan vetoes a bill setting up new research programs at the Environmental Protection Agency.

President Reagan signs legislation that will facilitate the entry into the U.S. of thousands of the Asian-born children of American servicemen; the House and Senate passed the bill October 1.

Military

Oct. 4—Secretary of the Navy John Lehman Jr. announces the award of a contract worth \$1.14 billion to the McDonnell Douglas Corporation to build F-18 fighter and attack aircraft.

Oct. 19—The U.S. Army announces the end of a 4-year experiment in which males and females underwent basic training together.

Politics

Oct. 4—Chairman of the Republican party Richard Richards resigns, effective in January, 1983.

Oct. 28—At a Washington, D.C., news conference, Defense Secretary Caspar Weinberger urges the nation's voters to vote against a nuclear freeze; resolutions supporting the freeze are on the ballot in 9 states and some 24 cities and towns.

Supreme Court

Oct. 4—The Supreme Court opens its 1982-1983 term.

The Supreme Court approves a stay until December 24 of a midnight deadline that would end the extensive powers granted to bankruptcy court judges by Congress.

VIETNAM

(See Intl, U.N.)

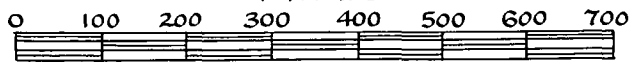
ZIMBABWE

Oct. 1—A government spokesman says 2 dissidents were hanged on September 30.

Oct. 30—In a joint communiqué, Prime Minister Robert Mugabe and President Quett K. Masire of Botswana reject a proposal linking Cuban troop withdrawal from Angola with independence for Namibia. ■

Western Europe

MILES



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